



Daily Report

East Asia

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9 March 1994

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Japan

Industries Cited for Possible Super 301 Action

OW0803234994 Tokyo KYODO in English 2308 GMT
8 Mar 94

[Text] Washington, March 8 KYODO—U.S. Trade Representative Mickey Kantor Tuesday [8 March] raised the possibility that up to eight Japanese industries would be subject to retaliatory action under the so-called "Super 301" trade law.

Kantor identified wood, paper, flat glass, computers, supercomputers, telecommunications, medical equipment, and insurance as business areas where he said U.S. firms face barriers in penetrating the Japanese market.

President Bill Clinton reinstated the Super 301 trade provision by executive order last week, setting in motion a U.S. policy of removing foreign trade barriers by targeting offending trading partners for retaliation.

Under Clinton's executive order, U.S. trading partners accused of maintaining trade barriers against U.S. goods have until September 30 to avoid being singled out for possible Super 301 action.

Testifying before a House Appropriations Subcommittee that handles trade matters Tuesday, Kantor named the eight Japanese industry sectors as areas which he said do not meet U.S. market-opening criteria.

Kantor in particular cited wood, paper and flat glass as three Japanese market sectors where he said U.S. firms have seen a decline in their market share.

The U.S. Government is scheduled to issue an annual review on foreign trade barriers by the end of March, setting off a six-month process of preliminary negotiations to remove what Washington views as the "most egregious" practices.

Kantor indicated that U.S. jaw-boning is unlikely to resolve all trade disputes, telling the U.S. legislators that it would be "quite unusual" if the Super 301 priority list turns up empty on September 30.

MITI Official on 'Latest' U.S. Super 301 Move

OW0903102994 Tokyo KYODO in English 1011 GMT
9 Mar 94

[Text] Tokyo, March 9 KYODO—A senior trade ministry official on Wednesday [9 March] played down the latest U.S. move on invocation of the "Super 301" trade provision.

"The action does not represent a significant meaning for Japan," he said.

The comment came after U.S. Trade Representative Mickey Kantor said Tuesday that the office of the

United States Trade Representative (USTR) is considering eight trade areas in which Japan may be the target of retaliation under Super 301.

The official from the Ministry of International Trade and Industry (MITI), who declined to be identified, said the eight areas must have been chosen from findings in an annual USTR survey on global trading practices released a year ago.

Under the revived Super 301 law, the U.S. will list trade practices deemed unfair to U.S. products, using findings from the national trade estimate report set for release at the end of March. Washington would then have until September 30 to single out priority countries engaged in unfair trading.

Trade categories being named in the upcoming USTR report are not automatically subject to sanctions under Super 301, the official said.

The eight named are the insurance, lumber, paper products, flat glass, computers, supercomputers, telecommunications equipment and medical products markets.

On four-point market-opening measures to be released by Japan at the end of March, the MITI official said the package will be divided into two areas—one ready for immediate enforcement and the other coming under further study for implementation.

The package will feature deregulation, import and investment promotion, competition policy and reforms in the government procurement process. He declined to give further details such as which areas would be given immediate enforcement.

Kantor: U.S. Not After 'Trend Line' Targets

OW0803234894 Tokyo KYODO in English 2303 GMT
8 Mar 94

[Text] Washington, March 8 KYODO—U.S. Trade Representative Mickey Kantor denied Tuesday [8 March] that the United States has sought Japanese assurances to increase the market share of a U.S.-developed cellular phone system in Japan according to prearranged growth projections.

KYODO NEWS SERVICE reported Monday that the U.S. has proposed using "numerical indicators" that would give the cellular system developed and built by Motorola Inc. an additional 240,000 subscribers after one year in the Tokyo and Nagoya areas.

"That report is erroneous," Kantor said.

Kantor, responding to a reporter's question, said the U.S. has not sought more Motorola cellular subscribers by the business trend line the U.S. firm has established elsewhere in Japan.

The Motorola system, which signed up 12,900 cellular subscribers in the Tokyo and Nagoya areas after two

years in service, has 438,000 subscribers elsewhere in the country, mostly in the Kansai area, after four years in operation.

Kantor has accused Tokyo of violating a 1989 trade accord that promises "comparable access" to Motorola in the Japanese market and has vowed to impose sanctions against Japan if no settlement is reached through negotiations.

While denying the U.S. has sought trend line sales targets, Kantor declined to discuss whether other types of numerical targets are in the U.S. proposal on grounds that negotiations are currently continuing between Motorola and its Japanese business partner Nippon Idou Tsushin Corp.

Nippon Idou offers both Motorola and a rival Japanese cellular phone system for its cellular service in the lucrative Tokyo and Nagoya areas, home to 60 million Japanese consumers.

The U.S. Government is set to announce by Thursday next week a target list of Japanese products that will be subject to U.S. sanctions if no settlement is reached over the cellular telephone dispute.

Further on U.S. Secretary of State's Visit

OW0903100994 Tokyo KYODO in English 0938 GMT 9 Mar 94

[Text] Tokyo, March 9 KYODO—U.S. Secretary of State Warren Christopher flies to Tokyo Wednesday [9 March] night for the first direct top-level contact between Japan and the U.S. since President Bill Clinton and Prime Minister Morihiro Hosokawa met in Washington last month.

During his three-day visit, Christopher will meet Hosokawa and Foreign Minister Tsutomu Hata on Thursday for talks on bilateral economic problems.

Hata and Christopher will also hold "two-plus-two" ministerial security talks with Defense Agency chief Kazuo Aichi and U.S. Undersecretary of Defense Frank Wisner on Friday morning.

Bilateral relations took a turn for the worse last month when Clinton and Hosokawa announced the collapse of bilateral trade "framework" negotiations aimed at redressing Japan's more than 60 billion dollar trade surplus with the United States.

That prompted the U.S. Government to reinstate a trade law known as "Super 301" which gives it powers to impose sanctions against countries it holds guilty of unfair trade practices. The action is widely understood to be aimed at pressuring Japan into opening its market and reducing its trade surplus.

Foreign ministry sources said the failed talks are likely to be high on the agenda.

The Japanese are expected to explain their market-opening package and seek U.S. understanding, while expressing concern over the reinstatement of Super 301, according to the sources.

Hosokawa and Christopher are also likely to discuss China, since Christopher will fly to Beijing after leaving Tokyo on Friday and Hosokawa is scheduled to visit China from March 19 to 21.

Christopher will also attend an international conference on aid to Cambodia in Tokyo on Thursday and deliver a speech to business leaders on Friday.

'Focus' of Meetings Discussed

OW0903092394 Tokyo KYODO in English 0902 GMT 9 Mar 94

[Text] Tokyo, March 9 KYODO—The first Japan-U.S. foreign affairs and defense "two-plus-two" talks will be held Friday morning at the prime minister's official residence, government sources said Wednesday [9 March].

Foreign Minister Tsutomu Hata and Defense Agency Chief Kazuo Aichi will meet U.S. Secretary of State Warren Christopher and Undersecretary of Defense Frank Wisner for a discussion of bilateral and regional security issues.

Coming as concerns grow over Japan-U.S. trade relations, the talks are intended to promote understanding between Tokyo and Washington in order to prevent trade frictions from affecting political and security affairs, the sources said.

The talks are expected to focus on North Korea's suspected nuclear weapons development program and the strengthening of the military in China as well as touching upon the issue of U.S. military bases in Okinawa.

The meeting is also likely to consider revisions to Japanese defense plans in the post-Cold War world and military reductions by the United States, the sources suggested.

Until December 1990, the security talks had been attended by the U.S. Ambassador to Japan and the commander of the U.S. forces in the Pacific with the foreign minister and the Defense Agency director general.

It was agreed to upgrade the talks, but the higher level talks have yet to be held because of the changes in the international situation.

Wisner is accompanying Christopher on his three-nation tour of the Asia-Pacific region and will attend the talks for Secretary of Defense William Perry who did not make the trip.

U.S. 'Sharp Rebuke' of Trade Record Noted

OW0903023394 Tokyo KYODO in English 0221 GMT
9 Mar 94

[By Antonio Kamiya]

[Text] Washington, March 8 KYODO—The U.S. Government Tuesday [7 March] blasted Japan's record in honoring its trade accords and accused the Japanese of maintaining a "one-way street" policy in global trade. The U.S. Trade Representative Office delivered a sharp appraisal of Japan in an annual review on U.S. trade policy priorities, vowing to put the task of opening Japanese markets and securing Tokyo's compliance of past trade agreements high on this year's U.S. trade agenda.

The trade report, compiled annually under congressional requirement, placed Japan on top of a list of bilateral trade policy actions that Washington plans to take this year.

In addition, the U.S. Government promised to seek congressional approval of a new global trade pact concluded last December under auspices of the General Agreement on Tariffs and Trade (GATT).

Washington also vowed to expand regional trade through the newly created three-nation free-trade zone in North America and to foster U.S. trade and investment opportunities in Asia-Pacific region.

Trade representative Mickey Kantor said the United States is determined to make global trade a "two-way" street.

There can be "no something for nothing," Kantor said in releasing this year's review of the U.S. trade agenda.

The U.S. Trade Representative Office (USTR) report took issue with Japan's market-opening efforts, saying Japan lags behind other major industrial economies in terms of openness to imports and to foreign direct investment.

Japan's trade policy, the report warned, will be held accountable for economic ills in the world.

Japan's "enormous global current account surplus, combined with its continuing resistance to both imports and new competitors in key sectors, retards global recovery and undermines political support for trade," the report said.

In another sharp rebuke on Japan's trade practice, the USTR report literally accused the Japanese Government of not keeping its word after signing a trade agreement.

"We presently have 33 trade agreements in effect with Japan, unfortunately, very few are being implemented in the way that we had envisioned," the report said.

The report said the U.S. Government cited Japan last month for allegedly violating a 1989 trade agreement on

cellular phone service in Japan and vowed that Washington will put Japan's observance of other trade agreements under close scrutiny.

"We are reviewing our other agreements with Japan, and will not hesitate to act if they are not being implemented effectively," the report said.

The report gives the first detailed account of the U.S. trade agenda on Japan following the breakdown of trade talks between the two countries that marred the February 11 summit between Prime Minister Morihiro Hosokawa and President Bill Clinton.

Washington has since revived a 1988 trade law provision, known as the "Super 301," giving Clinton broad authority to impose unilateral sanctions on Japan over trade disputes.

The Clinton administration is also poised next week to publish a list of Japanese goods—worth several hundred million dollars—that will be subject to U.S. sanctions if there is no negotiated settlement over the cellular phone dispute.

In testimony at Congress on Tuesday, Kantor raised the possibility that up to eight Japanese industries would be subject to retaliatory action under the Super 301 trade weapon.

Kantor identified wood, paper, flat glass, computers, supercomputers, telecommunications, medical equipment and insurance as business areas where he said U.S. firms face barriers in penetrating the Japanese market.

The USTR report, however, indicated that the U.S. is still hopeful of settling its trade disputes with Japan at the negotiating table, particularly through the "framework" trade process agreed to last July.

"We stand by the framework for a new economic partnership to address these problems in a spirit of partnership," the report said.

Ozawa Plans To Visit U.S. on Framework Talks

OW0903052294 Tokyo KYODO in English 0441 GMT
9 Mar 94

[Text] Tokyo, March 9 KYODO—An influential politician in Prime Minister Morihiro Hosokawa's coalition government Ichiro Ozawa plans to visit Washington by the end of March in an effort to break the deadlock in stalled bilateral economic framework talks, government sources said Wednesday [9 March].

Ozawa, co-leader of Shinseito, one of the ruling seven parties, wants to visit the United States for talks with top U.S. lawmakers on Capitol Hill, the sources said.

According to Shinseito leaders, the government has yet to decide on sending Ozawa as special envoy, but Prime Minister Hosokawa may have unofficially asked Ozawa to go, they said.

Following the collapse of the framework trade talks between Hosokawa and U.S. President Bill Clinton in February, the Japanese Government will announce by the end of March a plan to reduce Japan's huge trade surplus and to open up various markets, the sources said.

ILO, Motorola Reach 'Broad' Phone Agreement

OW0903121094 Tokyo KYODO in English 1145 GMT 9 Mar 94

[Text] Tokyo, March 9 KYODO—Nippon Idou Tsushin Corp. (IDO) has reached a broad agreement with Motorola Inc. of the United States over Motorola's demand for more access to the Japanese mobile telephone market, industrial sources said Wednesday.

Motorola Vice President Arnold Brenner arrived in Tokyo on Wednesday to finalize negotiations.

IDO said it hopes to straighten out differences over the issue by the end of this week.

The accord would help avoid U.S. trade retaliation against Japan. The U.S. Trade Representative Office has set March 17 as the deadline for an announcement on sanctions over trade issues.

IDO and Motorola were near agreement over the timing of an expansion of a network of Motorola-formula car phone relay stations and an allocation of radio frequencies, IDO officials said.

They said Motorola has agreed to IDO's offer to increase the number of relay stations, which will total 190 at the end of June, by an additional 159 stations.

But the officials said Motorola demanded that the network expansion be completed within the next one and a half years, while IDO contends that the project will take more than two years.

IDO was also resisting Motorola's demand that part of the frequencies allotted for Nippon Telegraph and Telephone (NTT) formula transmission be transferred to its service in Japan on the ground of high costs, the officials said.

They said the frequency switch to the Motorola formula is almost impossible because it requires remodeling all NTT-formula relay stations, which would require an investment of tens of billions of yen.

Toyota Motor Corp., Japan's top automaker and a major investor in IDO, is set to help finance the project by increasing IDO's capital through a new share issue, they said.

Mitsubishi Sets U.S. Auto Parts Import Target

OW0903130994 Tokyo KYODO in English 1158 GMT 9 Mar 94

[Text] Tokyo, March 9 KYODO—Mitsubishi Motors Corp. announced Wednesday [9 March] it aims to import about 2 billion dollars worth of U.S. Auto parts in fiscal 1995.

Mitsubishi is the third major Japanese automaker to announce import targets for U.S.-made auto parts following Toyota Motor Corp., leader of the industry, and Mazda Motor Corp., affiliate of Ford Motor Co. of the United States.

Mitsubishi has announced a purchase plan for fiscal 1994, which begins April 1, incorporating imports of 400 million dollars worth of parts from U.S. suppliers and an additional 1.2 billion dollars for local procurement for its U.S. car venture.

The company also said it will increase U.S. production of cars mounted with engines and transmissions supplied by Chrysler Corp. to 200,000 vehicles in 1995.

The company said it can boost local procurement in fiscal 1994 by about 400 million dollars if its vehicle production in the U.S. expands steadily.

The Japan Automobile Manufacturers Association said it will announce next week an appeal for cooperation between Japanese and U.S. auto industries.

The appeal calls for the establishment of a forum for consultations between Japanese automakers and the U.S. "Big Three"—General Motors Corp., Ford and Chrysler, association officials said.

Chrysler 'Cherokee' Models Sales Limit Raised

OW0903124794 Tokyo KYODO in English 1227 GMT 9 Mar 94

[Text] Tokyo, March 9 KYODO—The Transport Ministry said Wednesday it has granted Chrysler Corp.'s four-wheel drive "Cherokee" model a type certificate that allows the U.S. car maker to sell more than 2,000 cars of the model a year in Japan.

Ministry officials said there have been three models of American cars granted the certificate, with a condition that sales agents remodel the cars after importing to ensure they meet Japan's industrial standards.

This time, however, no such condition was given on the Cherokees, they said.

Currently, Chrysler plans to sell some 7,000 Cherokee model cars on the Japanese market at about 3 million to 3.73 million yen per unit.

In line with its domestic industrial and safety standards, Japan sets standards for goods to be imported to Japan.

It has been charged by other countries, including the United States, that the system is a nontariff trade barrier.

The ministry sent officials to the U.S. to deliver the certificate to Chrysler and to visit other manufacturers such as General Motors Corp. to explain the nature of the system and requirements for obtaining the certificate, officials said.

Cambodian Officials Begin Four-Day Visit 9 Mar

Co-Prime Ministers Meet Hosokawa

*OW0903105194 Tokyo KYODO in English 0956 GMT
9 Mar 94*

[Text] Tokyo, March 9 KYODO—Cambodian Co-Premiers Prince Norodom Ranariddh and Hun Sen met with Japanese Prime Minister Morihiro Hosokawa on Wednesday [9 March] and urged Japan to resume official loans to Cambodia, Foreign Ministry officials said.

Ranariddh told Hosokawa during a 20-minute meeting that Cambodia is considering a number of major development projects and would welcome a resumption of the loans from Japan, officials said.

The two premiers arrived in Tokyo earlier the same day with a large government delegation to attend a two-day meeting of the International Committee on Reconstruction of Cambodia (ICORC), which begins Thursday.

Diplomatic sources said Japan will not announce a resumption of loan assistance at the conference, but will pledge some 9 billion yen in grant aid for the coming fiscal year, which begins in April.

Japan extended Cambodia some 8 billion yen in grant assistance in fiscal 1993 ending March 31.

The last time Japan, Cambodia's top benefactor, made an official loan to Cambodia was in fiscal 1968, when it extended an offer of 1.5 billion yen.

But Cambodia's civil strife and sweeping changes of government since then precluded the extension of further loans, while the country's international creditworthiness depreciated.

Sources said the two countries will have to negotiate Cambodia's arrears before a resumption of loans can be effected.

Officials said Hosokawa vowed that Japan will continue to offer Cambodia "as much cooperation as possible" to facilitate the country's reconstruction.

They said Ranariddh, the son of ailing King Norodom Sihanouk, outlined Cambodia's aid expectations of Japan.

In the area of social infrastructure, he said, Cambodia requires assistance for the building of roads and bridges.

Ranariddh expressed appreciation for Japanese funding for reconstruction of a key 709-meter-long bridge spanning the Tonle Sap River which runs through Phnom Penh.

The so-called "Japan Bridge," which was completed last month, was first built in 1963 with reparation funds from Japan for damage inflicted on Cambodia during World War II.

Ranariddh said assistance is also needed to finance various energy projects, particularly for electricity generation. He noted that Cambodia has reserves of natural gas that could be successfully exploited for that purpose.

A Japanese consortium has already started test-drilling an oil and gas field off southern Cambodia, the first drilling operation since the civil war halted foreign operations in Cambodia in 1974.

In addition to social infrastructure aid, Ranariddh said Cambodia wants Japan's help to improve its agricultural production.

According to officials, he said Cambodia has great agricultural potential, noting that land is plentiful in proportion to the country's small population of some 9 million people.

The Cambodian leader said his government is making efforts to facilitate an influx of foreign investment, such as drafting investment and banking laws.

Ranariddh expressed expectations for increased numbers of Japanese tourists visiting Cambodia to see the ancient temple complex at Angkor Wat.

Officials said he invited Hosokawa to pay an official visit to Cambodia in the future.

Delegations from 32 countries, the European Union and 12 international organizations will participate in the ICORC meeting.

Remorse Expressed for Slain Japanese

*OW0903133494 Tokyo KYODO in English 1039 GMT
9 Mar 94*

[Text] Tokyo, March 9 KYODO—Cambodian First Prime Minister Norodom Ranariddh expressed his sympathy Wednesday [9 March] for the loss of Japanese lives during the U.N. peacekeeping operation in Cambodia last year, Foreign Ministry officials said.

The officials said Ranariddh made the remark in a meeting with Prime Minister Morihiro Hosokawa.

"I offer condolences for the two Japanese youths who lost their lives in the context of Japan's international cooperation," he was quoted as saying.

The reference was to Atsuhito Nakata, a Japanese U.N. volunteer election worker shot to death last April, and Haruyuki Takada, a civilian policeman killed last May in an ambush.

Meanwhile, a Cambodian newspaper Tuesday reported having received a message from King Norodom Sihanouk in Beijing in which the ailing monarch said he would receive the Nakata family at a special audience at the royal palace in Phnom Penh on May 9.

The Cambodia daily report said King Sihanouk praised Nakata's "immense courage and extraordinary contribution at the cost of his life to secure a free election and help set the foundation for democracy."

Takehito Nakata, Atsuhito's father, has retired from his post at Tomen Trading Co. to promote overseas volunteer activities. He has been named an honorary U.N. volunteer ambassador.

Door Reportedly Still Open to KR

OW0903150294 Tokyo KYODO in English 1452 GMT 9 Mar 94

[Text] Tokyo, March 9 KYODO—Cambodian First Prime Minister Norodom Ranariddh said Wednesday the royal government is "keeping the door open to the Khmer Rouge [KR]," Foreign Ministry officials said.

But Ranariddh, making the remarks in a dinner meeting with Japanese Foreign Minister Tsutomu Hata, said it will not do for the Khmer Rouge to try to "bargain" its way through the door.

Rather, the guerrilla group must enter through dialogue with the government on national reconciliation in a sincere manner, he was quoted as saying.

Ranariddh, who arrived in Tokyo earlier in the day to attend a two-day international aid conference beginning Thursday, did not clarify what role the Khmer Rouge could be given in the future political makeup of the country.

He previously rejected proposals to give the Khmer Rouge posts in the cabinet in exchange for a return of territories under its control and integration of its guerrilla army into the nation's unified armed forces.

The officials said Ranariddh said it is not permissible that the Khmer Rouge continues to control large tracts of territory. The guerrilla group, which held the nation under a rule of terror from 1975 to 1978, still controls an estimated 15 to 20 percent of the country's territory.

Ranariddh said the Khmer Rouge has not responded to the governments repeated calls for a ceasefire despite the fact that repeated concessions have been made to them. He suggested the ball is now in the court of the guerrilla group.

Ranariddh made the remarks in the wake of message issued by ailing Cambodian King Norodom Sihanouk in Beijing calling for a ceasefire.

"The war between the Royal Cambodian Armed Forces and the Democratic Kampuchea (Khmer Rouge) forces has so far brought nothing but destruction, separation, suffering, pain, shame and despair for Cambodia, for our nation and especially our poor people," the king said in a statement dated March 7.

Khmer Rouge nominal leader Khieu Samphan has reportedly responded by expressing support for Sihanouk.

Government forces are reportedly preparing an attack on the Khmer Rouge's headquarters in Pailin, some 300 kilometers northwest of Phnom Penh near the Thai border.

Sirivut Proposes 'Partnership'

OW0903122694 Tokyo KYODO in English 1149 GMT 9 Mar 94

[Text] Tokyo, March 9 KYODO—Cambodian Foreign Minister Norodom Sirivut called Wednesday [9 March] for the forging of a "dependable partnership" between Cambodia and Japan in the political and economic realms, Japanese Foreign Ministry officials said.

The officials said Sirivut made the call in a half-hour meeting with Japanese Foreign Minister Tsutomu Hata. Both Sirivut and Hata serve concurrently as foreign ministers and deputy prime ministers.

Sirivut arrived in Tokyo earlier in the day accompanying Co-Premiers Prince Norodom Ranariddh and Hun Sen to a two-day meeting of the International Committee on the Reconstruction of Cambodia (ICORC), which starts Thursday.

He was quoted as saying that in order to further consolidate ties between Cambodia and Japan his government is considering an early reopening of its embassy in Tokyo.

Since the fall of the Lon Nol government to the Khmer Rouge in 1975, the embassy in Tokyo's Akasaka District has been occupied by Cambodians of various political persuasions but it has not been functioning in an official capacity.

Officials said Sirivut told Hata Cambodia is requesting assistance from the international community from the perspective that its own self-help efforts are most important.

They said Hata called such an approach laudable and expressed hope that the ICORC meeting will prove successful in facilitating Cambodia's development.

Hata said that if Cambodia's reconstruction from years of civil strife goes smoothly it could serve as a model for similar efforts in other parts of the world.

Hosokawa To Offer Support for PRC Reforms

*OW0903120194 Tokyo KYODO in English 1142 GMT
9 Mar 94*

[Text] Tokyo, March 9 KYODO—Prime Minister Morihiro Hosokawa will express Japan's support for China's open reform policies when he visits China from March 19 to 21, Foreign Ministry officials said Wednesday [9 March].

He will also support China's bid to become a member of the General Agreement on Tariffs and Trade (GATT), the officials said.

Hosokawa will voice the support in a series of talks with Chinese leaders, including Chinese President Jiang Zemin, Premier Li Peng and Qiao Shi, chairman of the National People's Congress Standing Committee, they said.

He will also talk about Japan's yen loans to China, they said.

When Foreign Minister Tsutomu Hata visited China in January, Japan and China agreed to divide Japan's loan periods from five years to three-year and two-year periods beginning with the 1996 fiscal year.

Hosokawa and Chinese leaders will also discuss boosting Japanese investment and cooperation between the two nations on environmental preservation, they said.

They will also exchange views on international affairs such as cooperation in the Asia-Pacific region and North Korea's alleged nuclear weapons development program, they said.

Hosokawa is scheduled to arrive in Beijing on March 19 and visit Shanghai on March 21 before returning to Tokyo.

The last visit to China by a Japanese prime minister was in 1991 when then Prime Minister Toshiki Kaifu visited China and Mongolia.

Hosokawa Defense Panel on International Situation

*OW0903032294 Tokyo KYODO in English 0301 GMT
9 Mar 94*

[Text] Tokyo, March 9 KYODO—A private defense panel to Prime Minister Morihiro Hosokawa on Wednesday [9 March] discussed post-Cold War developments around the world and the military situation surrounding Japan.

The nine-member group, asked to review Japan's two-decade-old defense policies, exchanged views after listening to briefings from officials of the Foreign Ministry and the Defense Agency, the panel chairman told a news conference.

The group spent considerable time discussing the Foreign Ministry's explanation that the world is in a transition period after the end of the Cold War, said Hirotaro Higuchi, also chairman of Asahi Breweries Ltd.

Many group members raised doubts about the notion, arguing that frameworks already exist to maintain a new world order such as the Group of Seven (G-7) industrial nations and the United Nations Security Council, Higuchi said.

The next meeting of the panel is scheduled for March 16.

The panel, after debating overall defense matters once a week, will offer recommendations to Hosokawa by around summer for a revision of the National Defense Program Outline, which has served as Japan's basic defense policy since 1976.

Based on the panel's recommendations, defense policies, including Japan's future role in U.N.-led peacekeeping operations, will likely be revised in time for inclusion in the Defense Agency's budget requests for fiscal 1995.

Higuchi denied the possibility of the panel discussing the interpretation of the current war-renouncing constitution, saying the group will talk about defense matters within the scope of the current constitution.

Consumers 'Panic,' Line Up for Domestic Rice

*OW0903001194 Tokyo KYODO in English 2341 GMT
8 Mar 94*

[By Mie Kawashima]

[Text] Tokyo, March 9 KYODO—In the chilly rainy morning, about 230 people lined up in front of East 21, a Tokyo downtown shopping mall affiliated with Uny Co., and the woman at the front had been waiting for more than two hours.

At the 10 A.M. opening, the shop provided the first 150 customers with four kilograms of domestic rice, which was sold out in 10 minutes. The remaining 80 bags—some containing imported rice, some a domestic-foreign rice blend—were sold out in half an hour.

"We cannot endure unappetizing foreign rice, being familiar with domestic rice," said Hitomi Terai, 43, a local resident and one of the pleased 150.

Terai had tried Thai rice, but "could not manage to eat it because it tasted dry and bad."

The morning queue began on February 28, a day before the Food Agency began offering full supplies of imported rice, and the line has since grown, said Hisao Nakaya, store manager of East 21.

Such a scene has been seen every morning, everywhere in Japan, with the apparent disappearance of domestic rice from the shelves.

The agency has sold rice imported from China, Thailand and the United States to make up for a shortfall caused by a record poor harvest last fall and the government's limited stock.

The government blames consumers for the shortage, saying they shy away from foreign rice and stockpile the domestic crop.

The woman at the front of the line said she has no choice but to wait because her neighborhood shops sell rice only for restaurants and other bulk use, not for individual customers.

Nakaya said customers are anxious about the quality of imported rice, especially since a lawmaker remarked in early March that Thai rice being sold in Japan is infested with mice and cockroaches.

Eating foreign rice is a rare experience because Japan has banned imports for many years.

The coalition government decided in December to partially open the market through the Uruguay Round of multilateral trade negotiations.

The Food Agency plans to supply 500,000 tons of rice in March, equivalent to last year's volume, that will be a half-and-half of domestic and imported rice.

From April through June, the percentage of imported rice will be raised to 70 percent.

Teraï's husband, Masahiko Teraï, 46, said the queues may have swelled to twice their size from the previous day before due to the Food Agency's most recent announcement.

The agency said that retailers will not be allowed to sell domestic rice unless it is mixed with at least 20 percent Thai rice in order to prevent consumers from rushing to the Japanese crop.

"The move will worsen the situation. When all official rice is mixed with foreign rice, people will then be after domestic rice on the black market," he said.

Black market prices for the staple have soared 60 percent from the end of last year.

Nakaya, the manager, said the measure may ease panic if pure domestic rice truly becomes unobtainable. However, about 30 percent of domestic rice is said to be independent from the Food Agency's control and will go to the black market.

People panic because, Nakaya said, "rice is very special for Japanese. Other food would not cause such a confusion."

Hitomi Teraï blamed the government for its policy that forced farmers to reduce their acreage of paddies in order to control production, resulting in the current shortage.

Toshiharu Nishiguchi of Beikoku Data Bank, a rice market research agency in Tokyo, said consumer demand differs from the intentions of the government, wholesalers and retailers to maintain a constant supply.

"At the end of February, wholesalers and retailers apparently had a little more domestic rice than a year earlier to sell later to their regular customers when foreign rice prevails. It may have upset consumers," he said.

He predicted that more imported rice will be sent to shelves as early as mid-March. "So the shortage, at least of imported rice, will ease before long."

Reportage on Kajima-Nakamura Scandal Continues

Kajima Firm, Nakamura Home Raided

*OW0903053894 Tokyo KYODO in English 0511 GMT
9 Mar 94*

[Text] Tokyo, March 9 KYODO—Prosecutors raided the head office of Kajima Corp. and the homes of its top executives and former Construction Minister Kishiro Nakamura on Wednesday [8 March] in connection with Nakamura's alleged acceptance of a 10 million yen bribe from the construction giant.

The raids covered more than 30 locations which included the homes of Rokuro Ishikawa, chairman of Kajima, and Akira Miyazaki, president.

Meanwhile, the House of Representatives Steering Committee convened Wednesday to listen to Justice Ministry officials to discuss a request by prosecutors to arrest Nakamura, a member of the house, who quit the main opposition Liberal Democratic Party (LDP) earlier in the day.

Committee Chairman Keiwa Okuda told reporters later that the lower house needs to decide on the request as early as possible.

Diet permission is required for the arrest of parliamentarians while the legislature is in session. The Diet is currently in a 150-day ordinary session that started in late January.

Investigators from the Tokyo District Public Prosecutors Office will soon ask Ishikawa, 68, to voluntarily submit to questions pertaining to the money allegedly paid in January 1992 to Nakamura, investigative sources said.

Ishikawa formerly served as head of the Japan Chamber of Commerce and Industry, one of Japan's four top business organizations, and also of the Japan Federation of Construction Contractors Inc., an industry association of general contractors.

He resigned as president of the chamber last year as prosecutors promoted probes into the widening scandal involving politicians and contractors.

Investigators have already quizzed Miyazaki, 70, the president of Kajima, one of Japan's top contractors.

On Tuesday, prosecutors again arrested a former vice president of Kajima, Shinji Kiyoyama, 67, on suspicion of giving the 10 million yen bribe to Nakamura.

Nakamura allegedly received the money as a reward for using his influence to help prevent the Fair Trade Commission (FTC) from lodging a criminal complaint against contractors including Kajima, for bid-rigging in Saitama Prefecture.

Kiyoyama allegedly asked Nakamura, a senior member of the LDP's construction lobby, to put pressure on the FTC not to file an accusation with prosecutors against a bid-rigging cartel involving Kajima and 65 other construction firms.

At the time, Nakamura was the deputy chairman of the LDP's panel on the Antimonopoly Law. The LDP was in power for 38 years until the inauguration of the coalition government of Prime Minister Morihiro Hosokawa last August.

Nakamura later served as construction minister from December 1992 to August 1993 under then Prime Minister Kiichi Miyazawa.

Investigators intend to question fallen LDP kingpin Shin Kanemaru, 79, who is being tried in a separate income tax evasion case, the investigative sources said.

Prosecutors suspect Kiyoyama first asked Kanemaru to put pressure on the FTC, an antitrust watchdog body. Kanemaru allegedly replied that Nakamura was handling the matter, the sources said.

Kiyoyama and three other former Kajima officials were indicted last year in two bribery cases. Prosecutors said the Kajima officials gave 20 million yen to former Ibaraki Gov. Fujio Takeuchi and 10 million yen to former Sendai Mayor Toru Ishii.

Diet To Start Arrest Deliberations

OW0903005494 Tokyo KYODO in English 0010 GMT 9 Mar 94

[Text] Tokyo, March 9 KYODO—The lower house steering committee is scheduled to convene a closed-door session at noon Wednesday [9 March] over a request by prosecutors to arrest former Construction Minister Kishiro Nakamura on suspicion of bribery, Diet officials said.

Nakamura, 44, a main opposition Liberal Democratic Party (LDP) member of the House of Representatives, is suspected of taking a 10 million yen bribe from leading construction firm Kajima Corp. in January 1992, according to documents submitted to lower house speaker Takako Doi.

The House of Representatives is expected to hold a plenary session as early as Thursday to decide whether to give the go-ahead to Nakamura's arrest, political sources said.

Parties within the ruling coalition government and the opposition Japanese Communist Party are expected to agree to the arrest of Nakamura, the sources said.

LDP head Yohei Kono on Tuesday said the LDP will not pursue party interests in considering the prosecutors' request to arrest Nakamura.

At the closed-door session, Justice Minister Akira Mikazuki will brief committee members on the matter, the officials said. On Tuesday, the cabinet of Prime Minister Morihiro Hosokawa asked the House of Representatives to decide on the prosecutors' request for arresting Nakamura.

Diet permission is required for the arrest of parliamentarians while the legislature is in session. The Diet is currently in a 150-day ordinary session that started in late January.

Prosecutors applied for a warrant of arrest for Nakamura from the Tokyo District Court after Nakamura repeatedly refused to voluntarily face questioning.

The cabinet decided to send to Diet the arrest request issued by Tokyo District Court Judge Kohei Ikeda.

No Kajima Public Works Projects

OW0903142394 Tokyo KYODO in English 1352 GMT 9 Mar 94

[Text] Tokyo, March 9 KYODO—Both the Construction and Finance Ministries and several local governments Wednesday [9 March] announced decisions to suspend contracts for their public works projects with Kajima Corp. for several months in a protest over the rearrest of its former vice president in a bribery scandal.

The two ministries said they will prevent the major contractor from being offered public works projects for up to three months.

Saitama and Fukui are among the prefectural governments which will bar the company from their projects for five months, while Karatsu in Saga Prefecture, southern Japan, will take the same measure for six months.

Former Kajima Vice President Shinji Kiyoyama was rearrested Tuesday for his suspected involvement in allegedly bribing former Construction Minister Kishiro Nakamura with 10 million yen.

This is the first time the Construction Ministry has suspended a company from public works projects in relation to the alleged bribery of a Diet member.

Kajima is one of eight major general contractors at the center of investigations into a series of bribery scandals involving politicians and construction firms.

On Wednesday morning, prosecutors raided Kajima's head office in Tokyo in connection with Nakamura's alleged acceptance of the 10 million yen bribe from the construction giant.

The raids covered more than 30 locations, including the homes of Kajima Chairman Rokuro Ishikawa and President Akira Miyazaki.

On Tuesday, prosecutors rearrested Kiyoyama for allegedly passing the bribe to Nakamura, a House of Representatives member, for his help in heading off a Fair Trade Commission criminal complaint over a bid-rigging cartel in Saitama Prefecture in 1992.

Prosecutors are asking the Diet to remove Nakamura's parliamentary immunity to allow his arrest.

Despite the punitive action against Kajima, the central Japan city of Nagano signed a contract with a joint venture led by the scandal-tainted company Wednesday for the construction of the 1998 Winter Olympics speed skating venue, city officials said.

Nagano city officials approved the pact with the Kajima-led joint venture because its sanctions against Kajima were irrelevant since Kiyoyama was not a representative of the firm at the time of arrest.

LDP Demands Kajima's Statements

*OW0903143594 Tokyo KYODO in English 1049 GMT
9 Mar 94*

[Text] Tokyo, March 9 KYODO—The opposition Liberal Democratic Party (LDP) on Wednesday [9 March] demanded that the Justice Ministry submit statements from a former vice president of Kajima, Shinji Kiyoyama, to a parliamentary panel in an apparent bid to block an arrest of a former construction minister for alleged bribery.

The LDP's requests, made at the House of Representatives Steering Committee, also include questioning former Fair Trade Commission (FTC) Chairman Setsuo Umezawa as a witness.

Former Construction Minister Kishiro Nakamura, who left the LDP earlier Wednesday, could be arrested as early as Thursday for his alleged receipt of a 10 million yen bribe from construction giant Kajima Corp., Diet sources said.

The committee brought the prospect of Nakamura's arrest closer when it met Wednesday to listen to Justice Minister Akira Mikazuki and a top ministry official concerning the case, the sources said.

The LDP, however, questioned the way prosecutors are charging Nakamura and criticized a prosecutor's reported assault case against a suspect in connection with investigations into a corruption scandal involving contractors.

Committee Chairman Keiwa Okuda also called for the ministry to turn in a "framework" of Kiyoyama's statements. The ministry refrained from giving an immediate answer.

Okuda told the session the legislature needs to reach a decision as soon as possible, the sources said.

Nakamura, 44, a member of the House of Representatives, is suspected of accepting the 10 million yen bribe in January 1992.

The closed committee meeting, which began shortly after midday, reviewed documents supplied by the Justice Ministry detailing the allegations against Nakamura as well as relevant legal provisions, the Diet sources said.

Mikazuki and the head of the ministry's Criminal Affairs Bureau, Mamoru Norisada, attended the meeting.

Mikazuki told the committee that Nakamura has rejected repeated requests to turn himself in and may destroy evidence related to the case.

Committee sources quoted Norisada as saying prosecutors now have enough evidence of Nakamura's involvement in the case, including statements from Kiyoyama, 67, who was arrested again Tuesday on suspicion of giving the 10 million yen to Nakamura.

Nakamura allegedly received the money as a reward for using his influence to help prevent the FTC from lodging a criminal complaint with the prosecution against contractors for bid-rigging in Saitama Prefecture.

Kiyoyama allegedly asked Nakamura, who was a senior member of the LDP's construction lobby, to pressure the FTC not to file a complaint with prosecutors against a bid-rigging cartel involving Kajima and 65 other construction firms.

Norisada told the committee that the FTC had attempted to carry through criminal proceedings against the contractors, but Nakamura had pressed it to abandon the attempts.

Norisada was quoted as saying that Nakamura continued to demand that the FTC abandon the case despite the commission's repeated refusals.

Committee sources also said that Norisada told the committee the 10 million yen Nakamura allegedly accepted was a "large sum, different from sums normally given on special occasions like New Year."

If the prosecutors' request is approved by the committee, the lower house is expected to hold a plenary session as early as Thursday to decide whether to give the go-ahead to Nakamura's arrest, political sources said.

Parties within the ruling coalition and the opposition Japanese Communist Party are expected to agree to the arrest of Nakamura, the sources said.

LDP head Yohei Kono said Tuesday the LDP will not pursue party interests in considering the prosecutors' request to arrest Nakamura.

On Tuesday, the cabinet of Prime Minister Morihiro Hosokawa asked the lower house to decide on the request.

Diet permission is required for the arrest of parliamentarians while the legislature is in session. The Diet is currently in a 150-day ordinary session that started in late January.

Prosecutors applied Tuesday for a warrant for Nakamura from the Tokyo District Court, which sent a document to the cabinet urging it to apply for Diet permission on Nakamura's arrest.

Nakamura's lawyers have said he is determined to "fight with prosecutors," even if he is arrested.

Hosokawa: Prosecutors To Do Duty

OW0903053994 Tokyo KYODO in English 0515 GMT 9 Mar 94

[Text] Tokyo, March 9 KYODO—Prime Minister Morihiro Hosokawa said Wednesday [9 March] the government is convinced prosecutors will carry out their duty with law and justice in a case involving former Construction Minister Kishiro Nakamura suspected of taking a bribe from major general contractor Kajima Corp.

Hosokawa, replying to questions from Hiroshi Tachiki of the Japanese Communist Party (JCP) in the House of Councillors plenary session, said the government "will wait and see how the investigation develops."

Nakamura, 44, who bolted from the main opposition Liberal Democratic Party (LDP) on Wednesday, is suspected of taking a 10 million yen bribe from Kajima in January 1992, investigative sources said.

On Tuesday, prosecutors asked Tokyo district court to issue an arrest warrant for him. The court submitted a document to the cabinet asking for Diet permission to lift parliamentary immunity on Nakamura from arrest. The cabinet in turn passed it to the House of Representatives, to which Nakamura belongs.

The Diet is currently in the middle of a 150-day regular session due to end in June.

Olympic Facility Contract Signed

OW0903063494 Tokyo KYODO in English 0602 GMT 9 Mar 94

[Text] Nagano, March 9 KYODO—A joint venture led by scandal-ridden Kajima Corp. concluded a contract Wednesday [9 March] with the central Japan city of Nagano on the construction of the 1998 Winter Olympics speed skating venue, city officials said.

Representatives of the joint venture initialed the agreement in a signing session Wednesday.

Kajima is one of eight major general contractors at the center of investigations into a series of bribery scandals involving politicians and construction firms.

Nagano is among a number of municipal and prefectural governments that had held off for a while on concluding contracts with the firms involved in the scandals.

But Nagano city officials approved the pact with the Kajima-led joint venture even though a former Kajima vice president was arrested again Tuesday for his suspected involvement in the alleged sending of a 10 million yen bribe to former Construction Minister Kishiro Nakamura.

The officials said the city's sanctions against Kajima were not relevant since the arrested Kajima executive, Shinji Kiyoyama, was not a representative of the leading construction firm at the time of arrest.

The city invited bids last July for the design and construction of the rink that will be the site of the speed skating events in the 1998 Winter Olympic Games.

The five-member joint venture led by Kajima had been scheduled to begin work in February, but conclusion of the contract was delayed because the city had held off signing contracts with Kajima until February 25.

On Tuesday, prosecutors arrested Kiyoyama for allegedly providing a 10 million yen bribe to Nakamura, a House of Representatives member, for his help in heading off a Fair Trade Commission criminal complaint on a bid-rigging cartel in Saitama Prefecture in 1992.

Prosecutors are asking the Diet to lift immunity on Nakamura so they can arrest him.

Poll: Hosokawa Cabinet's Support Rate Falls

OW0903162394 Tokyo NHK General Television Network in Japanese 1034 GMT 8 Mar 94

[Text] According to a public opinion poll conducted by NHK on the people's livelihood and political issues, the support rate for the Hosokawa cabinet stands at 53 percent, falling sharply by 16 points compared to results of a survey conducted three months ago. Immediately after Prime Minister Morihiro Hosokawa gave up the cabinet reshuffle, NHK conducted this nationwide opinion poll of 1,800 men and women who are over 20 years old on 5-6 March by interviewing respondents individually. NHK obtained valid answers from 1,169 people, or 64.9 percent of the pollees. According to the results, 53 percent of respondents answered that they supported the Hosokawa administration, 31 percent did not support it, and 16 percent said they have no opinion, or gave no answer. The Hosokawa cabinet's support rate dropped by 16 percent from the 69 percent marked in the December poll. However, its support rate still exceeds that of the Kaifu Cabinet which was the highest among past cabinets.

When asked about the reasons for their support, 29 percent of the pollees answered the prime minister's personality is trustworthy, 28 percent said his political stance is good, and 14 percent indicated because he belongs to the party which they support.

In answers to a question on reasons for not supporting the Hosokawa cabinet, 34 percent of respondents answered they could not expect good policies from the Hosokawa Cabinet, and 30 percent said he lacks the ability to implement his policies.

To the question of what issues they want the Hosokawa cabinet to deal with most, 44 percent indicated implementation of the economic stimulus package and stabilization of commodity prices, 11 percent asked for promotion of political reform, and 10 percent called for improvement of social welfare.

In response to the question asking which party they currently support, 26.6 percent supported the Liberal Democratic Party [LDP]; 10.2 percent, the Social Democratic Party of Japan [SDPJ]; 9.2 percent, Shinseito [Japan Renewal Party]; 3.6 percent, Komeito; 6.2 percent, the Japan New Party [JNP]; 2.3 percent, the Communist Party of Japan; 2.7 percent, the Democratic Socialist Party; 2.9 percent, Sakigake [Harbinger Party]; 0.3 percent, the United Social Democratic Party; and 33.2 percent answered they did not support any party.

Comparing the results of this poll to those of the December opinion poll, while the support rate for the LDP as well as Shinseito and the SDPJ increased by 4.5 points, the JNP's support rate, which was second to the LDP's in the December survey, dropped by 9.9 points.

BOJ Governor: Too Early To Predict Recovery

*OW0903085494 Tokyo KYODO in English 0833 GMT
9 Mar 94*

[Text] Tokyo, March 9 KYODO—The economy remains mixed despite some new bright signs this year and it is still too early to predict recovery, Bank of Japan Governor Yasushi Mieno said Wednesday [9 March].

Mieno told a regular news conference that he wants to continue "carefully watching" conditions before judging whether signs of improvement can be sustained.

It is too early to say whether such promising signs as partial improvement in consumption will prevail over such worrying indications as a gradually worsening job situation, he said.

Mieno said, for example, that fiscal year-end factors apparently played a part in January's modest rebound in industrial production.

"We'll have to watch a bit longer to judge sustainability and growth potential," he said.

He said economic conditions differ from those of last spring, when the economy seemed to bottom out, only to slide further.

Last year, there were more negative factors in the economic mix, Mieno said, adding that the economy was dragged down by the yen's sharp rise, bad summer weather and political confusion.

The yen has recently been in "a state of remission" on the foreign exchange market, he said.

Asked about recent rises in long-term market and lending rates, he said they will not likely have an immediate effect on the economy. Higher rates are "obviously" a minus for recovery, he acknowledged, but noted they were just one factor.

Mieno said capital spending by smaller companies, which usually leads an economic recovery, will continue to slump. But he said their weak investment will not likely lead to further setbacks.

Mieno said the central bank will consider economic conditions in taking "appropriate" policy steps, but he played down the idea that falling short-term rates signal an imminent cut in the official discount rate.

Although market players consider it critical that there be a half-percentage point spread between the benchmark overnight lending rate and the discount rate, Mieno said the spread is not a decisive factor.

He said, however, it would be hard to imagine the overnight call-money rate falling below the discount rate for a prolonged period.

With the central bank taking a loose stance in funding the money market, the overnight unsecured call rate has recently moved around 2.1 percent, less than a half point above the 1.75 percent discount rate.

Mieno repeated that for recovery to begin, it is not necessary for companies to have finished adjusting their balance sheets, hit by shrunken asset values after the bursting of the speculative "bubble" in the late 1980s.

But, citing the U.S. recovery, he said that if a turnaround begins while balance sheet adjustments are continuing, it would be a very "slow tempo" recovery.

Asked about rising public service rates, Mieno said they would not likely harm the economy, noting that overall prices remain very stable.

On trade matters, Mieno said cutting Japan's chronically huge current account surplus would contribute to stable growth globally.

He called for "leadership" from Prime Minister Morihiro Hosokawa in implementing "bold" deregulation, which he said would directly reduce the imbalance by facilitating imports and would increase the chances for investment in Japan.

He also urged domestic companies to "actively" develop new business.

Mieno said fiscal steps taken thus far will help promote domestic demand-led growth, a key component in curbing Japan's surpluses, but he also urged further efforts from Japan's trading partners.

Fujii: Economy Still Mixed, in 'Delicate' Stage

*OW0903102294 Tokyo KYODO in English 0958 GMT
9 Mar 94*

[Text] Tokyo, March 9 KYODO—The economy remains "mixed" and in a "delicate stage" with some improvements seen in recent indicators such as consumption and production, Finance Minister Hirohisa Fujii said Wednesday [9 March].

Speaking at a regular press meeting, Fujii backed off from comments he made Sunday in an informal speech made in Tochigi Prefecture, in which he indicated "as his personal view" that the economy had hit bottom.

"This is an official press meeting," he said, brushing aside further questions on his earlier remarks.

Fujii also repeated that he is "confident that steady implementation of the latest 15.25 trillion stimulus package will put the economy on a recovery track in fiscal 1994."

The finance minister declined to comment on a meeting of cabinet ministers earlier on Wednesday to discuss Japan's "voluntary" market-opening package to address the ongoing trade dispute with the United States.

He described the meeting as "free talking," but declined to comment further.

The reason for the hastily-arranged meeting was seen to allow discussion over Japan's stance before Prime Minister Morihiro Hosokawa and Foreign Minister Tsutomu Hata meet U.S. Secretary of State Warren Christopher, who is scheduled to arrive in Tokyo for an official visit Wednesday night.

Asked about the latest U.S. stance of not reopening trade talks, Fujii said that Japan would "positively" take its "voluntary measures" aside from negotiations.

Meanwhile, Fujii reiterated that the government is not considering a plan to boost the 10-year public works program of 430 billion yen as part of the package.

Government Committee To Monitor Deregulation

*OW0903083594 Tokyo KYODO in English 0816 GMT
9 Mar 94*

[Text] Tokyo, March 9 KYODO—The government on Wednesday [9 March] came up with the outline of a bill to establish an administrative reform committee in order to monitor the progress of Japan's economic deregulation, officials said.

They said the proposed legislation is expected to be presented to a meeting of the ruling coalition's policy-making officials Thursday and is likely to be approved by the cabinet on March 18 for presentation to the current Diet.

The committee is expected to promote the easing of existing economic restrictions, discuss the opening of government-held information to the public and make recommendations to the prime minister on the basis of its surveys and discussions.

Under the proposed bill, the five-member committee with a three-year tenure will be created in the prime minister's office and will function like other advisory councils appointed by the prime minister, the officials said.

One or two of the members will serve full-time on the committee.

Some lawmakers have expressed doubts about the proposal to establish a committee in the government to monitor the government's economic deregulation.

Mining Industry Leaders Ask for Government Help

*OW0903032094 Tokyo KYODO in English 0247 GMT
9 Mar 94*

[Text] Tokyo, March 9 KYODO—Mining industry leaders Wednesday [9 March] asked the Trade Ministry to take steps to spur demand for mineral products.

Presidents of major mining companies belonging to the Japan Mining Industry Association made the request in a breakfast meeting with Hiroshi Kumagai, international trade and industry minister.

Mining companies are struggling due to slack demand from the auto and precious metals industries, the presidents of Sumitomo Metal Mining Co., Mitsubishi Materials Corp., Dowa Mining Co. and other companies told Kumagai.

They also requested the Ministry of International Trade and Industry (MITI) to promote a policy to ensure "smooth purchases" abroad of mineral ores.

Kumagai told the executives the ministry will work hard to help the mining industry by improving fiscal and tax systems, MITI officials said.

North Korea

Inter-Korean Working Level Contact Held 9 Mar

*SK0903104494 Pyongyang KCNA in English 1031
GMT 9 Mar 94*

[Text] Panmunjom, March 9 (KCNA)—The fifth working-level contact for the exchange of presidential envoys

between the North and the South was held behind closed doors at the Thongil House in the northern portion of Panmunjom today.

At the end of the contact the head of the North side delegation was interviewed by home and foreign reporters on the spot.

According to his briefing, the North side once again urged the South side to manifest its position on the four-point demand including the question of discontinuing large-scale nuclear war exercises that stands in the way of exchange of special envoys, a demand raised by it at the fourth contact.

Then it put forward a new amendment to "agreement on the exchange of presidential envoys between the North and the South" taking the South side's view into full consideration, out of a desire to realize the exchange of special envoys at an early date. The proposal involves detailed matters such as the rank of the special envoys of both side and their suite, the tasks of special envoys and the mode of their exchange, the date of their exchange and the timetable of their stay, procedures of their travels and security arrangements, news coverage and (offer) of conveniences to reporters.

The South side created difficulties, grumbling about what it called "creation of obstacle" or "unnecessary things" instead of expressing its clear attitude toward the principled demand raised by our side and entering the discussion of working matters.

Our side proposed a tete-a-tete contact between the heads of both sides from a sincere stand to tide over the obtaining difficulties on all accounts and concluding the working-level contact.

There was a contact between the heads of both sides.

It was agreed to have the sixth contact between working delegates in the South portion of Panmunjom on March 12.

TV Reports 9 Mar Contact

SK0903122594 *Pyongyang Korean Central Television Network in Korean 1127 GMT 9 Mar 94*

[Text] The fifth contact of working-level representatives for the exchange of top-level special envoys of the North and South was held behind closed doors in Tongilgak today on our side of Panmunjom.

After the contact, the head of our side's delegation gave a news conference to domestic and foreign reporters on the spot and explained the details of the contact.

Our side stressed a need to break at all cost the deadlock [kyochak sangtae] of the working-level contact and conclude the discussions on the agenda items at this time. It once again urged the South side to manifest first its clear position on the demand—raised by our side at the fourth contact—that it discontinue all large-scale nuclear war exercises against the dialogue partner, an obstacle to the

exchange of special envoys; abandon the antinational international cooperation system; withdraw the plan to introduce Patriot missiles and other new types of weapons; and cancel the South's remarks that it cannot shake hands with the dialogue partner.

Our side pointed out that the North-South exchange of special envoys will not be able to proceed in a favorable atmosphere if the South does not manifest its clear position on this four-point demand and that even if special envoys are exchanged, just like the previous dialogues which underwent twists and turns, the dialogue will become a nominal [yummyongmusil] dialogue that will result in its discontinuation, resumption, and breakup [kyollyol] and that this would disappoint all fellow countrymen.

Out of a desire to immediately conclude discussions on procedural matters for the exchange of special envoys and exchange special envoys at the earliest possible date, it presented a new momentous amendment to the Agreement on the Exchange of Top-Level Envoys Between the North and the South, an amendment that takes the South side's view into full consideration.

Our side's amendment proposal includes detailed matters such as the rank of the special envoys of both sides, their accompanying personnel [tonghaeng inwon], the tasks of special envoys and the mode of their exchange, the date of their exchange and the timetable of their stay, procedures of their travels and security arrangements, reporters' news coverage and the provision of conveniences to reporters.

He proposed that special envoys of the two sides be authoritative and responsible high-ranking officials appointed by the top authorities of the North and the South and be accompanied by about 10 aides and six reporters, that the South side's envoy visit Pyongyang within 15 days from the date an agreement is reached, and our side's envoy visit Seoul within 15 days from the last day of the South side's envoy's Pyongyang visit, and that each side's envoy visit the other side for three nights and four days.

Duties of the envoys presented in our side's draft of agreement that was revised and supplemented include discussions on the implementation of the Joint Declaration on Denuclearization of the Korean peninsula, joint measures to be taken immediately to implement the North-South agreement, pending issues of mutual interest, and a meeting between the top authorities of the North and the South. In addition to these, issues on the easing of tensions between the North and the South, the maintenance of national self-reliance [minjok chaju-song], the promotion of the great national unity, and the method to achieve the independent and peaceful reunification of the fatherland are presented in detail in our side's draft. These issues are not included in that of the South side.

The epochal [hoekkijogin] draft of agreement revised by our side is a fair one that was made by taking the South

side's intent into consideration. It is also a reasonable one that will enable the envoy exchange to help make practical improvements to North-South relations and opening a new phase in resolving the country's reunification issue.

In today's contact, our side repeatedly urged the South side to express a satisfactory [naptukhalmanhan] attitude in any form toward the four just demands we made to hasten a complete solution to problems regarding practical procedure [silmu cholcha munjerul wanjonhi kyolsokchikko] and to realize an exchange of envoys as soon as possible.

In the contact, the South side, instead of expressing a clear attitude toward our principled demands before discussing practical issues, repeated absurd remarks that create obstacles and are unnecessary, creating obstacles to the discussions on issues.

The South side even deliberately raised an issue that has no relation to the discussions on the practical procedure and blemish the atmosphere of the talks, assuming an extremely provocative attitude.

Immediately raising such absurd remarks and acts by the South side as an issue, our side has branded them as its declaration to give up the working-level contact and sternly warned against it. The South side, which was at a loss for answers, has attempted to make an excuse for its wrong act.

Regarding the South side's remarks that it has never conducted, even one time, a large-scale nuclear war exercise, our side maintained that this is a preposterous sophistry, and that this is not an attitude of dialogue, but rather an attitude of continuously pursuing a position of confrontation.

Our side said that the South side's attempt to not accept our side's just demand that it give up the international cooperation system shows that the South side gives priority to outside forces over the nation, and that it admits itself to the nature of its dependency upon outside forces and anti-national position. Also, our side stressed that if the South side continues pursuing the international cooperation system with the backing of outside forces, it will raise the grave consequence in which our nation can fall a victim of great powers.

Our side said: In its character, the exchange of the North-South special envoys must succeed if it is prepared. It must also satisfy the expectation of our nation as a sincere and fruitful dialogue. If the exchange of special envoys is either suspended or broken once again—like other dialogues in the past—by the nuclear war exercise or any other factors after it began, it will be difficult to hold the North-South dialogue again. Although the South side regrets its act at a time when the North-South dialogue is not held, an opportunity would never come again.

Based on the sincere position to overcome, by any means, the prevailing obstacles and to conclude the working-level contact, our side has proposed a tete-a-tete contact between the heads of the two side. Following this, the contact between the heads of the two sides was held.

The North and South side have agreed to hold the next sixth round of their working-level contact at the South side's area of Panmunjom on 12 March.

Kim Yong-sam's Remarks on N-S Relations Denounced

SK0903045494 Pyongyang KCNA in English 0421 GMT 9 Mar 94

["Trite Stance of Confrontation"—KCNA headline]

[Text] Pyongyang, March 9 (KCNA)—At a time when the working contact for the exchange of special envoys between the North and the South is under way, the Kim Yong-sam group started on March 7 military exercises directed against the North in Inchon and Kyonggi Province which will last till the 14th. Commenting on this, papers here today say this clearly indicates that the Kim Yong-sam group has no willingness to resolve the questions of the peace and reunification of the country and is going to invariably seek confrontation and war this year, too.

A NODONG SINMUN analyst says:

If the South Korean rulers are willing to solve the pending issues between the North and the South through dialogue and negotiation by realizing the exchange of special envoys, they must not do acts getting on the other's nerve.

Recently, the traitor Kim Yong-sam impudently cried that they "could not be optimistic" about North-South relations and "the United States would not hold the third round of the DPRK-U.S. talks before the exchange of special envoys." His remarks fully revealed his sinister intention to balk the DPRK-U.S. talks, obstruct the solution to the nuclear issue on the Korean peninsula, persistently seek North-South confrontation and thus slay the fellow countrymen in the North with outside forces.

The Kim Yong-sam group decided to introduce into South Korea U.S. Patriot missiles which had been used in the Persian Gulf war and is now welcoming the deployment of two groups of Apache, a main attack helicopter belonging to the U.S. Army, in South Korea. And it does not bother to conceal its plan to stage a large-scale nuclear war exercise with outside forces.

With the Kim Yong-sam group, "civilian" warmaniacs desperately trying to plunge the nation into a nuclear

holocaust, left alone, is it impossible to solve the questions of peace and reunification through dialogue and negotiation or save our fellow countrymen from another war disaster.

A MINJU CHOSON analyst says that the Kim Yong-sam group is attempting to frighten the North and ensure the "security of power" with reckless war gambles, but all in vain.

People in South Urge Scrapping of Security Law

SK0903110794 Pyongyang KCNA in English 1026 GMT 9 Mar 94

[Text] Pyongyang, March 9 (KCNA)—These days words are abroad in the high-placed quarters of the South Korean "Democratic Liberal Party" (DLP) complaining at the call of U.S. Deputy Assistant Secretary of State Hubbard for the abolition of the "National Security Law" (NSL), according to a radio report from Seoul.

The traitor Kim Chong-pil, chairman of the "DLP", voiced opposition to the call, grumbling that the speech of Hubbard was problematic. The "chief of the DLP's Policymaking Committee" expressed "apprehensions" over the official position of the United States calling for the abolition of the "NSL", terming it "an interference in the internal affairs".

Such outbursts of the South Korean puppet clique ignoring the unbiased public opinion are an open challenge to all the fellow countrymen who want to see the notorious "NSL" scrapped, bring the North-South dialogue to a success at an early date and thus to achieve the reunification of the country. It is a graphic manifestation of the puppets' anti-national, anti-reunification stand.

What must not be overlooked is that the puppets let loose such preposterous remarks as "the North's line of reunification through the communization of the South" and "human rights situation of the North", connecting the question of the maintenance of the "NSL" with the North.

Their malicious abuses and slander against the North are nothing but despicable attempts to conceal their grisly human rights problem and, all the same time, to suppress the South Korean people's struggle for independence, democracy and reunification and block the North-South dialogue and reunification of the country at any cost by preserving the "NSL".

For peace on the Korean peninsula and a peaceful reunification of the country the Kim Yong-sam puppet clique must be removed and such fascist laws as the "NSL" be scrapped in South Korea without delay.

Radio Denounces Japan's 'Nuclear Armament Maneuvers'

SK0903085994 Pyongyang Korean Central Broadcasting Network in Korean 1153 GMT 9 Mar 94

[Commentary by Yun Pyong-son: "Japan's Nuclear Armament Maneuvers Have Reached a Dangerous Stage"]

[Text] According to reports, Japan's Monju, a fast breeder reactor built in Tsuruga city, Fukui Prefecture, will soon begin operating as the transportation of plutonium fuel needed has been completed. This is one of Japan's undisguised attempts to secure large quantities of plutonium for itself so as to produce nuclear weapons at any time and become a nuclear power.

Japan's nuclear armament maneuvers are accelerating to a very dangerous stage. According to data, Japan, which has stockpiled 26 tonnes of plutonium, will increase its reserve to 100 tonnes by 2010. This is a huge amount, enough for over 10,000 nuclear bombs.

Japan has developed not only elements and technology for the production of a nuclear bomb, including the electronic destructive device, but also devices for long-range nuclear transportation. This has been proven by the fact that Japan developed the large long-range H-2 rocket, which can be used as an inter-continental ballistic missile in February 1994.

The world believes that it is only a matter of time until Japan will produce nuclear weapons. A Western paper reported that Japan may have already produced them. In fact, Japan could become a nuclear power in a very short time whenever it is determined to do so. These facts clearly show to what a dangerous stage Japan's nuclear armament has come.

What cannot be overlooked is that Japanese authorities and politicians, who are promoting full-scale nuclear armament, are playing mean making an issue out of the so-called nuclear issue of ours. Former Japanese Prime Minister Nakasone recently raved that the UN Security Council should keep the possibility of imposing economic sanctions open in case we refuse special inspections. Japanese Foreign Minister Hata said the pressure for inspection on our military facilities will increase and urged that measures be taken to dispel suspicion over nuclear weapons development.

As everyone knows, there is no mention of "special inspection" in the recently announced agreement reached at the DPRK-U.S. contact in New York. In any regard, Japan is not in a position to intervene in the resolution of the nuclear issue on the Korean peninsula. The reason the Japanese reactionaries have recently started playing mean by becoming more feverish in the special inspection commotion is to impede the settlement of the nuclear issue and find a pretext for the lawful promotion of the nuclear armament, which has reached the danger line.

It is the most vicious and shameless intention of the Japanese reactionaries that they are picking on others while it is themselves who are accelerating the nuclear armament. It is not difficult to estimate how enormous the effect on the peace of Asia and the world might be when the Monju fast breeder reactor begins operating and large quantities of plutonium are secured for the manufacture of nuclear weapons.

Some Japanese reactionaries even insist on becoming a military power and dispatching more of the Self-Defense Forces overseas saying that Japan lost World War II because it was weak. It is obvious that our country may become a nuclear victim when the neighboring Japan, which is making every attempt to realize its old dream of the Greater East Asia Co-Prosperity Sphere, is even armed with nuclear weapons.

The denuclearization of Northeast Asia cannot be realized when Japan is arming itself with nuclear weapons. The North-South joint declaration on denuclearization will be invalid, and the denuclearization of the Korean peninsula will be virtually meaningless.

It is not a coincidence that the people of Asia and around the world, including our people, are showing grave concern over Japan's nuclear armament. It is a common desire of humanity to live in a peaceful world free of nuclear threat. People across the world should block and destroy Japan's maneuver to smoke nuclear clouds, running counter to mankind's wish.

The Japanese reactionaries must correctly realize the dear price they must pay for their maneuvers for nuclear armament and nuclear power and immediately abandon their criminal nuclear ambition.

Zimbabwe Friendship Association Holds Meeting
SK0803214294 Pyongyang KCNA in English 1514
GMT 8 Mar 94

[Text] Pyongyang, March 8 (KCNA)—An annual general meeting of the Zimbabwe-Korea Solidarity and Friendship Association was held in Harare, Zimbabwe on February 24.

Chairman of the association N.T. Mawema stressed in his report that the Korean people achieved great success in socialist construction, pushed aside the anti-DPRK and the anti-socialist moves of the imperialists and renegades of socialism and firmly defended the sovereignty of the DPRK under the tested guidance of the dear leader Comrade Kim Chong-il last year. He called for conducting the active solidarity movement for defence of socialist Korea.

The general meeting discussed the question of significantly celebrating the 82nd birthday of the great leader President Kim Il-song and a series of measures for firm solidarity with the Korean people in their efforts to solve the nuclear issue of the Korean peninsula through the DPRK-USA negotiation.

Daily Marks Publication of Kim Il-song Work
SK0903110394 Pyongyang KCNA in English 1020
GMT 9 Mar 94

[“Famous Work on Building Revolutionary Armed Forces of Chuche”—KCNA headline]

[Text] Pyongyang, March 9 (KCNA)—NODONG SINMUN today carries an article on the lapse of 60 years since the great leader President Kim Il-song published the famous work “On Reorganizing the Anti-Japanese People's Guerrilla Army Into the Korean People's Revolutionary Army.”

In the famous work on March 9, 1934, President Kim Il-song indicated a highly important guideline in the building of chuche-oriented revolutionary Armed Forces. Thus, he opened a new phase in the Army building and strengthened the combat capability of the revolutionary Armed Forces as required by the developing situation so as to expand the anti-Japanese armed struggle.

The author of the article says:

The great leader's work is a historic work which indicated the way of building chuche-oriented revolutionary Armed Forces on the basis of a scientific analysis of the lawful requirement of the military and political situation and the development of the guerrilla Army and the prospect of the revolutionary struggle to accomplish the cause of national liberation.

The great leader Comrade Kim Il-song taught:

“We must reorganize the anti-Japanese people's guerrilla Army into the Korean People's Revolutionary Army without delay as required by the prevailing military and political situation and the development of the anti-Japanese people's guerrilla Army.”

In the work, the great leader said the Korean People's Revolutionary Army (KPRA) should be organised in the system of a regular Army and, at the same time, in such a system that it could strictly observe the principle of guerrilla warfare, taking it into consideration that the anti-Japanese armed struggle was being waged in the form of a guerrilla warfare against the regular Armed Forces of Japanese imperialism. He also formulated the organisational system of the KPRA.

He said the division, regiment, company, platoon and squad of the KPRA should be organised in a three-unit system, that the company should be defined as the main combat unit as required by the guerrilla warfare and that the KPRA units should be formed on the principle of strengthening the companies to the maximum.

In forming the units, unified command of the headquarters of the KPRA should be guaranteed and, to this end, the general staff should be strengthened and its role be enhanced as fully as possible, he said.

In the work, he put forward the policy of organizing the party committee of the KPRA in keeping with the reorganization of the anti-Japanese people's guerrilla Army into the KPRA.

As the great leader organized the party committee of the KPRA and enhanced its role, the KPRA party committee could smoothly give unified guidance to all the party committees and organisations within the KPRA and correctly guide the Korean revolution as a whole as the supreme leadership body.

With the great leader's unique idea of Army building fully embodied in forming the KPRA, the KPRA grew to be invincible revolutionary Armed Forces and played a decisive role in achieving victory in the anti-Japanese armed struggle.

The Korean People's Army [KPA], the heir to the glorious anti-Japanese armed struggle, defeated the U.S. imperialist aggressor forces that had boasted of being the "strongest" in the world. The KPA has grown stronger to be one-match-for-a-hundred revolutionary Army firmly prepared politically and ideologically and in military technique under the wise leadership of its supreme commander, respected General Kim Chong-il.

Kang Song-san Addresses Agriculture Meeting

*SK0803070194 Pyongyang Korean Central
Broadcasting Network in Korean 0707 GMT 25 Feb 94*

[Speech by Kang Song-san, member of the Workers Party of Korea Central Committee Political Bureau, and premier of the Administration Council, at a national agricultural meeting held on 25 February at Pyongyang gymnasium—recorded]

[Text] Comrades: Today, at a time when all of the people across the country are accelerating the general march of socialism with the overflowing dignity and honor of being victors, greeting the 30th anniversary of the great leader Comrade Kim Il-song's publication of the theses on the socialist rural question in our country, we are holding the national agricultural meeting with the joy of having achieved a bumper harvest last year.

The great leader Comrade Kim Il-song's publication of the great theses on the socialist rural question 30 years ago was an event of historic significance in achieving the victory of the chuche socialist cause and the eternal grandeur and prosperity of our fatherland and people. [applause]

The period of 30 years cannot be said to have been lengthy in the course of socialist construction which brings the people's independent and creative life into full bloom. Furthermore, the 30-year period is merely a short, momentary period for creating a new socialist life in our countryside when considering the fact that even after the socialist system was established, many legacies

remained from the old society when our countryside was the target of feudal exploitation and imperialistic plundering.

Over the past 30 years, however, our party and people have made epochal changes in all sectors of socialist rural construction by vigorously advancing along the road illuminated by the great rural theses. [applause]

In his historic letter to the current national agricultural meeting, the great leader Comrade Kim Il-song extensively summed up the brilliant successes that our people and agricultural working people achieved in implementing the rural theses under our party's leadership and brilliantly illuminated the brilliant future of our country's rural economy and its future struggle task. [applause]

The party Central Committee in its congratulatory message highly assessed and warmly congratulated the great victory won by our people and agricultural working people during the past 30 in the implementation of the rural theses. [applause]

All participants of the national meeting exude the great emotion and happiness of receiving the great leader Comrade Kim Il-song's historic letter and the party Central Committee's congratulatory message, and they are also filled with even firmer determination to accelerate the socialist rural construction cause by brilliantly fulfilling the programmatic task presented in the letter. [applause]

This current national agricultural meeting was convened amid the great interests and expectations of all the people and the agricultural working people not only to sum up the brilliant victory won in the implementation of the rural theses under the wise leadership of the party and the leader [suryong], but also to discuss the struggle task of the agricultural sphere to accelerate the chuche socialist cause by further consolidating and developing the socialist rural economic system of our country and by exalting its superiority. The meeting will become the victors' meeting summing up the implementation of the task illuminated in the rural theses. It is a meeting of singlehearted unity. It will become not only an event which effects a new turn in the development of the rural economy of our country, but also an event of historic significance in the struggle of our people and agricultural working people to accelerate socialist construction. [applause]

Comrades, correctly solving the rural question by winning victory in the socialist revolution and by establishing the socialist system is a principled problem related to the success or failure in the socialist cause.

We can strengthen chuche of the revolution and fortify the socialist bases in the rural communities politically, ideologically, materially, and technologically only if we correctly solve the socialist rural question. Also, the final

victory of socialism can be won by removing the difference between urban and rural communities, as well as the class difference between the working class and farmers.

Correctly solving the socialist rural question has emerged as a more pressing issue as imperialists and reactionaries attempt to block the victorious advance of socialism by imperialists and reactionaries and crudely slander the socialist rural economic system in order to weaken its driving force.

At a time when we desperately need to elucidate the future road of the socialist rural communities internationally or domestically, the great leader Comrade Kim Il-song has published the "Theses on the Socialist Rural Question in Our Country," an immortal classic, by deeply grasping the importance of the need to solve the rural question in the socialist society. As a result, he defined the most correct way for socialist rural construction. [applause]

The great leader Comrade Kim Il-song has taught: In the "Theses on the Socialist Rural Question in Our Country," our party illuminated the basic principles and ways to finally solving the peasant and agricultural questions after the establishment of the socialist system, and rallied the whole party, the whole country, and all people to implement them.

The basic ideology in implementing the rural theses is that the working class firmly adhere to the principle of the party, state, and revolution; vigorously and highly display the superiority of the socialist collectivist economy by continuously advancing the revolution, and fully guarantee the independent and creative lives of agricultural workers, the masters of rural communities, even after the cooperativization of agriculture in rural communities.

The first to provide correct answers to all theoretical and practical questions in the settlement of the rural questions and to break new ground in the development of the revolutionary idea of the working class, the rural theses is a classical work and a great program of socialist rural construction that has been worked out with the man-centered chuche idea as its base. [applause]

The rural theses of our party opened a broad road for revolutionizing the peasants and assimilating them into the working class, industrializing and modernizing agriculture to elevate the agricultural productive forces to a high degree, and building affluent and civilized socialist rural communities so that agricultural workers will enjoy independent and creative lives as much as they want. [applause]

The rural theses sums up the great leader Comrade Kim Il-song's profound and unique ideology and theory and far-reaching plan of the socialist and communist construction. This is our party's socialist rural construction program. The rural theses consistently called forth all of our people and agricultural workers toward the large

scale struggle to construct a new socialist farm, and made it possible to smash [chitbusyoborida] the attack and slander by the imperialists and reactionaries in the socialist rural economy system by embracing the world's revolutionary people with faith and future prospects of socialism.

It was inevitable to carry out the struggle by our party and people for the development of the rural theses by overcoming all obstacles and difficulties by themselves while defeating antisocialist and anti-Republic maneuvers that are being endlessly continued by the imperialists and reactionaries at a time when the country is divided. In particular, socialism was frustrated in various countries recently and capitalism was restored. As a result of such a situation, the wicked political and military blockade and maneuvers of economic sanctions are being committed by the imperialists and reactionaries to isolate and crush [apsal] our Republic. Therefore, the internal and external situation in our country was more complicated and acute than ever before, and new and grave barriers and difficulties were laid forth in the future road of our revolution.

Our people's struggle in the socialist rural construction and overall socialist construction were conducted under a very tense situation, and to strengthen the country's [word indistinct], it was inevitable for us to adjust the speed and scope of economic development. Thus, it was inevitable to put greater efforts into [word indistinct]. However, it was not able to surprise our people and agricultural workers, who are fighting for the just cause, in any provocation and aggressive maneuver by the enemies. It also could not prevent our advance.

Our people and agricultural workers who are endlessly loyal to the party and the leader are highly upholding the revolutionary policy put forth by the party and are carrying out the indomitable heroic struggle in accordance with the changed situation and in accordance with the demand of our revolution. Thus, they firmly defended socialism of our own style centered on the popular masses, achieved endless upsurges in all fields of socialist construction, and achieved a decisive victory in the historical process of carrying out tasks put forth in the rural theses. Therefore, they were able to highly rise for the ultimate solution of the rural question. [applause]

Through the vigorous struggle to implement the rural theses, the human remodeling work was successfully promoted in our farms more than anything else, and the ideological and cultural life of the agricultural workers blossomed and developed on a full scale.

The great leader Comrade Kim Il-song presented the human remodeling work in the rural theses as the most important task in socialist rural construction, uprooted the old ideology which remained among the farmers, and elucidated the way to put in the forefront the ideological revolution so that they can be armed with the advanced working class revolutionary ideology.

According to the task of the rural theses to (?carry out) the ideological revolution, the ideological and indoctrination work to revolutionize and achieve working classification of the farmers were strengthened. Therefore, all of our agricultural workers were firmly armed with our party's revolutionary ideology, chuche ideology, and socialist ideology, and also the farm's chuche idea was filled to full capacity.

Today, the old ideological trait of society which we historically inherited in our farms, is not regarded as a problem. Also, all the agricultural workers regard the advanced ideology of the working class and the chuche idea as a firm faith, and is formed with the strong main force of the revolution of single-heartedly uniting around the party and the leader through ideological will, morality, and integrity.

Recently, the imperialists and reactionaries are viciously committing a political and ideological offensive more than ever before to destroy faith in socialism in the people's hearts, and have extremely aggravated the situation of our country. However, our agricultural workers have firm faith only in the party and the leader without the slightest wavering, are advocating with the do-or-die spirit the party, are smashing [chitbusyoborigo] overflowing with faith and optimism all kinds of challenges by the enemies, and have firmly defended the socialist rural construction. [applause]

Our agricultural workers who have traversed the arduous road of struggle for independence, reunification, and socialism with the party endlessly trust and follow the party and the leader [suryong], cherishing in their hearts deep trust and loyalty cemented through their actual experiences. They unconditionally entrust their destiny and future to our party.

Holding aloft the slogan of loyalty—What the party decides, we will do—our agricultural workers support and defend every line and policy of the party; seek value and pride on the course of implementing the slogan; and work progressively with indomitable grit for the implementation of the party's rural policy. This is precisely the ideological and mental features of our agricultural working people.

Our peasants do not know of all sorts of rotten capitalist social evils that destroy one's mental, cultural life, and everyone of them treasures the interests of the party and revolution and that of the society and group as a master of the social group in the society in which it is politically stable. They, with their labor exploit, carry out their social duties as a socialist worker who is in charge of the nation's rice granaries, and highly display the beautiful communist trait of helping and leading each other forward under the slogan of one for all and all for one.

Such a high level of the mental and ideological feature of our agricultural workers, the masters of the rural areas, proves that our society has been highly developed and that the socialist political, ideological framework has been firmly laid in our rural areas. [applause]

The party and the leader [suryong] believe in the agricultural masses, all agricultural workers endlessly trust and follow the party and the leader [suryong], and a sociopolitical organ in which the leader [suryong], the party, and the masses live eternally has been formed: This is the grandiose reality of our rural area in which the agricultural workers fight vigorously with firm confidence in the victory of the socialist cause. [applause]

Under the party's leadership, all agricultural workers share their life and death with the party, and devotedly strive to complete the chuche-oriented revolutionary cause and the socialist rural construction. In addition, the great changes in the ideological and moral traits and manner of work of our peasants have taken place. These are the most precious success achieved in our efforts to implement the theses, which is incomparable even to millions of tons of rice and herein lies a firm guarantee which brings about an endless upsurge in agricultural production and prosperity to our rural areas. [applause]

As a result of the active cultural revolution along with the ideological revolution in the rural areas, our peasants have grown to be more powerful beings and their cultural living conditions have been fundamentally improved.

As a result of the cultivation of agrotechnicians and experts and adult education, the technical and cultural levels of, not only the new generation, but also our agricultural working people have risen very high, and the conditions for the cultural life of the rural inhabitants have greatly improved.

Regular universities and colleges of agriculture and such study-while-working centers for training technical personnel as farm colleges have been firmly built up in each province, at which a large number of agrotechnicians and experts are being trained.

Under the popular policy of our party, water, bus, wire radio, and television services have been introduced, clinics have developed into hospitals and cozy modern dwelling houses have been built in the rural areas. Newspapers, magazines, and various books find their way to each peasant household. Thus, our countryside has turned into a prospering modern socialist countryside good to live and work in, which is little different from towns. [applause]

All the results achieved on the road of vigorously carrying out the ideological and cultural revolution in rural areas, revolutionizing the peasant and assimilating them into the working class, and improving all aspects of their ideological and cultural life proudly show that a great turning point is arriving and a brilliant victory has been achieved in the implementation of the difficult and complicated human reform task presented by the rural theses. [applause]

A solid socialist material and technological foundation is laid in our rural areas because the four major tasks of

rural technological revolution are being brilliantly implemented through a resolute struggle named the (?construction) of the rural theses. Through this, the peasants' independent and creative living conditions are satisfactorily guaranteed.

The great leader Comrade Kim Il-song said in earlier days that the problem of technological revolution is not a matter of technological development to simply improve production capacity, but a problem of general society to completely achieve the independence of the popular masses. He further defined irrigation, electrification, mechanization, and chemical application as the four basic tasks of rural technological revolution in the rural theses and wisely led the struggle to achieve this. [applause]

The task of irrigation and electrification of the rural economy as presented in the rural theses was achieved on a high level long ago in our country since the party's policy for rural technological revolution had been successfully implemented. [applause]

In carrying out the rural technological revolution, our party consistently prioritized irrigation. This policy is the most sophisticated and unique policy based on a general analysis of the characteristics of agricultural production, which is much affected by nature, and our country's weather conditions. In the early days of the construction of the new society, the great leader Comrade Kim Il-song personally stood in the front line to guide large-scale nature transforming projects and orderly led the great struggle to complete the irrigation in rural areas for our people's long-cherished desire of the century—to solve the water problem.

The great leader Comrade Kim Il-song presented a unique idea that rice farming is water farming, and the most important fundamental of rice farming is water. He devoted his efforts to establish a policy of irrigating paddies, which account for a large part of our country's agricultural production, and had it finished in a short period. Based on the results, he also wisely led the all-people struggle to complete the irrigation of non-paddy fields so our country has the most developed and powerful irrigation system that could reap rich and stable harvests under any natural conditions.

Particularly, based on the brilliant achievement of the construction of Sohae lock gate—a great monumental creation—through the heroic struggle of our people, soldier, and constructors, a 2,000-ri waterway was built recently to completely solve the water problem in rich grain districts, and the great nature transforming project of connecting the Taedong River and Yesong River, Amnok River and Taeryong River into one great irrigation channel was victoriously carried out so as to more satisfactorily fulfill the increasing demand for water in our rural areas.

Along with the irrigation construction, the party's policy to vigorously carry out drainage works simultaneously was brilliantly implemented and numerous small and

large pumping stations and thousands of kilometers of drains have been constructed, rivers and streams were rearranged, embankments were built, reforestation works were widely carried out, and crop damage due to standing and dirty water were completely eliminated in our rural areas.

The irrigation system in our country is a system that thoroughly reaches all paddies and fields from flat areas to mountain villages. It is the most reasonably established mighty irrigation system in which major irrigation networks are linked to circulate. In addition, irrigation methods vary according to geographical conditions: pumping stations, transportation-style, and constant irrigation.

Indeed, the irrigation facilities in our rural areas provided by the wise leadership of our party are perfect [word indistinct] which guarantees the endless development of our agriculture, and are brilliant creations that demonstrate the invincible great might of our party and people and the great might of popular masses-centered socialism of our own style. Our country has become a proud country in the world with developed irrigation and an exemplary country in which irrigation has been completed. [applause]

With the accomplishment of the electrification task put forward by the agricultural theses, the electrification of our farms has reached a very high level.

With a view to meeting the daily-increasing electricity demand on a securer basis, our party put forward the policy of simultaneously building large-scale hydroelectric and thermoelectric power stations as well as building small- and medium-size power stations in many places. Our party saw to it that the struggle to implement the policy was vigorously carried out.

The construction of large-scale hydroelectric and thermoelectric power stations was actively pushed ahead during the Third Seven-year Plan period in compliance with the party's correct electrification policy, and many small- and medium-size power stations were built throughout the country. As a result, the nation's power bases have been further strengthened.

Thanks to the chuche-oriented electric power and energy provided in our country, the electric power used by our farms in a year increased 8.6 times from that in 1963 and the scope of the use of electricity in the rural economy has been constantly expanded.

With the rapid development of and under the vigorous support by the chuche-oriented industry, a turning point was effected in the mechanization and scientification of the rural economy.

The great leader Comrade Kim Il-song put forward the work of emancipation of peasants, who suffered various hardships for a long time because of difficult and arduous labor, as a lofty historic mission assigned to the

revolutionaries of our era, and wisely led the struggle for mechanization and the application of science in the rural economy.

Thanks to the nation's powerful mechanical industry, the party's policy for building agricultural machine production bases has been carried to accomplishment. As a result, tractor and truck production bases have been firmly built and agricultural machine production plants have been constructed in the central and local areas. Accordingly, various efficient agricultural machines and tools suitable for practical situations in farms have been produced and supplied to farms on a large scale.

To meet the daily-increasing demand for tractors and trucks—the most important technological means in agricultural production—our party took a comprehensive step of epochally increasing productivity in the Kum-song tractor complex in the seventies and of constantly strengthening the material and technological foundation in the Sungni truck complex. Our party also saw to it that a new production base for truck engines was built.

As a result, the number of tractors serving the rural economy sector increased six times and trucks five times for the past 30 years. Thanks to this, the comprehensive mechanization of the rural economy in our country today has reached a lofty stage and all farming works, from the cultivation of paddies and farms to sawing, seedling, weeding, harvesting and threshing, are carried out by machines.

Repair bases were firmly built in all provinces, cities, counties and cooperative farms in compliance with the increased mechanization in farms. At the same time, the work of training of tractor and truck operators was strengthened and the ranks of operators serving the rural economy were increased.

With the use of chemicals in the rural economy, a greater amount of chemical fertilizers was produced and supplied to farms. Thus, the amount of chemical fertilizer production for a chongbo [2.45 acres] of paddies and fields reached over nine tons, far surpassing the goal set forth in the rural theses, and various kinds of chemical fertilizers were combined reasonably and their qualitative (?constitution) was improved.

The scientific manuring system, in which various kinds of fertilizers are manured according to the characteristics of the soil and to the unique nature of the growing crops, was established. As a result, economic efficiency in the manuring of chemical fertilizers was enhanced and (?productivity) in each area was expanded. The quantity of grains produced on the basis of quantity of manured nitrogen fertilizer has been ensured satisfactorily in accordance with a (?1:10 ratio).

Self-reliant agricultural chemicals and herbicides production bases were firmly built in our country under the party's wise leadership and efficient agricultural chemicals and herbicides were produced and satisfactorily

supplied to the farms. Thus, harmful insects were eliminated through agricultural chemicals. By introducing various biological agricultural chemicals and vegetation growth adjustment elements, we protected and managed grains with a scientific method.

With the implementation of an irrigation system, the electrification, mechanization and the use of chemicals in the rural economy, peasants were emancipated from difficult and arduous labor and the agricultural productivity was rapidly developed even while peasants worked easily and joyfully. This brilliant achievement clearly proved that we won a proud victory in implementing the tasks of a rural technological revolution set forth in the rural theses and that we have far advanced in industrializing and modernizing agriculture by reforming the society. [applause]

Through the persistent struggle to carry to accomplishment the rural theses, a great advance was effected in the domain of reforming social relations in conformity with the socialist demand in the farms.

Social relations in farm and ownership over production means are closely linked with the state's guidance system and method on the agricultural cooperative economy. The correct resolution of the issue of guidance and management of the rural economy has a great impact on the development of ownership.

The new agricultural guidance system created by the great leader Comrade Kim Il-song is a most superior agricultural guidance system which enabled us to precisely combine the party's unitary guidance, the nation's political interest, democracy, and creativeness by brilliantly embodying the demands of the Chongsanri spirit and method and the Taean work system in the guidance and management of the rural economy. This system also enabled us to constantly improve and strengthen the management and operation of the socialist cooperative economy and to successfully push ahead with the work of (?developing) ownership and economic management.

Through the struggle to epochally demonstrate the superiority of the new agricultural technological system, which regards the management committee of a county cooperative farm as the basis, the difficult and complex problems in guiding and managing the rural economy have been excellently solved in our country based on the principle of collectivism and according to the original nature of socialism. The guidance of enterprises through the management committee of a county cooperative farm and material and technological support by the state have been strengthened. As a result, advanced business management of industry and production culture have been widely disseminated to farms, and differences between industry and agriculture in the fields of business management and ownership over production means have been successfully reduced.

The great leader Comrade Kim Il-song's unique idea and policy on business units and strongholds in socialist rural construction have been brilliantly embodied. As a result,

organizations in counties, including the management committee of county cooperative farms, satisfactorily carried out their missions under the guidance of the county party committee. The position and role of the county in the overall socialist construction, including rural construction, have been drastically enhanced.

Today all counties in our country are a comprehensive unit that (?consolidates) local economic foundation and links cities and farms in all fields of politics, the economy, and culture. They are excellently fulfilling their missions as the stronghold.

As the work of reforming men, nature and society has been successfully carried out in the farm, the party's agriculture-first policy and *chuche* agricultural method have been thoroughly carried out. As a result, our agricultural production is constantly developing.

The grain production in our farms has increased 1.9 times, and of these grains, rice production increased 1.8 times and corn 2.2 times in the past 30 years since the rural theses were published.

After 1973, when the great leader Comrade Kim Il-song provided a watershed of turn by standing at the van of the agricultural front, our agriculture has been raised onto a higher scientific and technological foundation. Our agriculture again effected a new upsurge in harvesting bumper crops by overcoming serious damages caused by cold weather and abnormal low temperatures that lasted for a long time last year in the wake of the 30th anniversary of the publication of the rural theses. [applause]

The work to acquire new land was actively pushed ahead across the country, increasing the farmland area. The nationwide field plowing campaign improved the soil's fertility. With the brisk campaign of winning the title of high-yield county, the cities and counties producing over 100,000 tons and 150,000 tons of grain, such as Sukchon County and Pyongwon County, South Pyongan Province, Anak County and Yonan County, South Hwanghae Province, and the cooperative farms producing over 10,000 tons, such as the (Sungjon) cooperative farm in Chungsan County, have been further increased. In particular, the (Yoltu) and (Samcho) cooperative farms in Sukchon County, which could produce only some 4,000 tons 30 years ago, were successful in producing some 20,000 tons of grain.

With the comprehensive embodiment of the [word indistinct] agricultural method based on the right crop-in-the right time principle and the early farming method and with the thorough realization of the demands of the *chuche* agricultural method based on the farming system by farming processes, the grain output per chongbo of farming land has reached a very high level in our country, thus bringing forth an innovation of producing eight to 15 tons of rice and corn from the land which used to produce two to three tons per chongbo.

With the implementation of the party's policy of developing various kinds of produce giving fundamental emphasis to the production of grain, all areas of agricultural production, such as meat, vegetables, fruit, cocoon, and industrial products, as well as grain, are developing rapidly in all units, including Kaecheon, Unjon County, Yonggang County, (Saengsang County), (Changwon County), and Samsok-kuyok.

With the rapid development of agricultural production in the grand struggle since the publication of the rural theses and with greater state support and cooperation to systematically relieve the farmers of their burdens, all the cooperative farms in our country have grown to be mighty, large-scale socialist collective bases with their own solid production and financial foundation, and the lives of our farmers are improving with each passing day.

In our rural areas, the agricultural tax payment-in kind system was abolished long ago. Now our farmers do not know of the word tax. They, just like workers, enjoy as affluent and happy lives as those who live in urban areas do, enjoying all sorts of state and social benefits such as free education, free medical care, sick leave, paid holidays, fuel supply, and (?acknowledgement of social accomplishment).

With the three revolutions vigorously conducted in rural areas, the farmers' standard of ideological consciousness, technology, and culture has been enhanced, the material and technological base of agriculture strengthened, and the gap between industry and agriculture and between urban and rural areas has been reduced in all fields. Therefore, all the conditions necessary to convert cooperative ownership to all-people ownership are being formed more smoothly in our country.

All the successes the rural areas have achieved in the struggle to remake the relations among man, nature, and society show that a momentous upturn is being made on the road of ultimately solving the rural problem. With the great victory of the rural theses, our rural areas have been turned into the most advanced and prosperous socialist rural areas. [applause]

The brilliant victory of the rural theses is a great historical event that took place in the rural areas in addition to the land reform after the 1945 national liberation and the introduction of agricultural cooperative in the post-war period. This is the victory of our party's socialist rural area building program and the victory of the might of the wholehearted unity of our people and agricultural working people firmly united around the party and the leader. [applause]

This brilliant victory is a proud fruition which can only be achieved in the *chuche* Korea, the chollima country led by the great leader and the great party where the popular mass centered our-style socialism has firmly taken root and is in full bloom. [applause]

The great victory of the rural theses is a historical victory that enables all our people and agricultural working

people to have even firmer faith in the justness and invincibility of the cause of socialism and strengthens the might of the country and casts more resplendent prospective for the future of our revolution. [applause]

The brilliant victory of the rural theses will give greater strength and encouragement to the South Korean people who are waging a brave struggle for independence, democracy, and the country's reunification and to the world's revolutionary people who are launching themselves into a new struggle for socialism. It will deal the imperialists and reactionaries a blow of horror and despair. [applause]

Comrades: The epochal change taking place in our rural areas with the brilliant realization of the rural theses is the victory of the socialist rural economic system of our popular mass-centered country, and the demonstration of its unequalled vitality. [applause]

Our country's socialist rural economic system is the most superior rural economic system of our own style which embodies the *chuche* idea. Our country's socialist rural economic system is not something that someone has given us, nor something copied from someone else. It is the most independent and people-oriented rural economic system our people and agricultural working people built on their own in conformity with their faith and demand by embodying the rural theses under the leadership of the party.

Different from our country's socialist rural areas, where the agricultural production continuously develops and the farmers lead independent and creative lives in all areas—political, economic, and cultural—with the embodiment of the rural theses, agricultural production is in a great crisis in many capitalist countries, including Japan, posing a great threat to the farmers' existence.

In particular, in South Korea, which shares the same border with the northern half of the Republic, agricultural production is extremely deteriorated because of the ruling bunch's outside force-depending policy and anti-people agricultural policy, and the farmers are suffering from serious destitution under all sorts of exploitation and oppression. As for South Korea's agriculture last year, South Korea suffered the worst crop since 1980 facing an unprecedented severe agricultural crisis. The traitorous Kim Yong-sam clique's policy of opening rice market brought about serious social and political unrest, leading the farmers to the worst wretched life. This pitiable reality in clear contrast with the socialist rural areas of the northern half of the Republic shows more clearly the superiority and the inexhaustible strength of the people-centered our-style socialist rural economic system embodying the *chuche* idea.

Our country's socialist rural economic system is the most solid and vital rural economic system and advances with firm conviction along the road of socialism based on collectivism. [applause]

Collectivism is the life of socialist society, and the socialist rural economic system can be consolidated and its superiority can be enhanced only when they are based on collectivism. Socialist ownership, formed by the ownership by the state and all the people and ownership by a cooperative of the means of production is the economic basis of the socialist society based on collectivism.

Today, while perpetrating more viciously than ever before hindrance maneuvers against socialism, the imperialists and their errand boys are talking about the so-called superiority of the private ownership system based on individualism and frantically running wild to destroy socialist ownership. However, this is nothing but a foolish act.

The reactionary nature of private ownership system based on individualism has already been completely proven by history. If socialist ownership is dismantled and converted into private ownership it is clear that all means of production turned into private ownership, regardless of how it is turned into private property, will be concentrated into the hands of a handful of the exploiting classes, including the privileged classes and enterprises. The superiority of the private ownership system the imperialists and reactionaries are talking about only means none other than an unlimited law of the jungle competition designed to amass more wealth.

The ownership by the state and all the people and the ownership by cooperative of the means of production alike are developing rapidly in our country, and the organic combination of the two kinds of ownership has been successfully achieved. As a result, all cooperative farms have been firmly developing toward the direction of becoming large-scale cooperative farms under the ownership (?of all the people).

In our rural communities, firmly uniting in a comradely manner and helping and leading each other, all the agricultural working people are waging large-scale nature remaking projects, which are inconceivable under the private farming system or under the small-scale farming system, and they are constantly and quickly developing their agricultural production. This is precisely because they base their farming on the large-scale socialist collectivist rural economy and firmly rely on its superiority.

Our country's socialist rural economic system embodies the working class' most revolutionary (?position) in which the party and the state look after and lead to the end the peasants' living and destiny in a responsible manner. [applause]

How the party and the state of the working class deal with the peasants' living and their future under the socialist system is a principled matter related to the consolidation and development of the socialist rural economic system and its prospect. As they led peasants to carry out the revolution and, thus, changed the old social system, the working class party and state should strengthen the worker-peasant alliance, which is the political basis of the socialist society and should look

after and lead peasants to the end even after the establishment of the socialist system.

Without the working class party's leadership and the state's support peasants cannot embark on the road of socialism, nor can they advance to the end along the single road of socialism, and nor can they enhance the superiority of the socialist rural economic system.

The incomparable superiority and vitality of the socialist rural economic system, which are being highly enhanced with each passing day in our country, are possible thanks to our party's leadership within the socialist collectivist economy and peasants being strengthened and to the state's guidance and support constantly being deepened. Indeed, our country's popular masses-centered socialist rural economic system, which has embodied the *chuche* idea, is a most superior rural economic system under which the agricultural working people have become the master of everything and everything in society serves them. [applause]

The epochal changes achieved in our country's rural communities on the strength of the embodiment of the rural theses and today's realities of our country are evoking great admiration among the people of the world and enjoy their praise. Our country has had a 5,000-long history since the Tangun Korea was founded on the [word indistinct] sacred land at the dawn of the (?history) of mankind. However, there has been no time as today when our rural communities are opulent and prosperous and when our fatherland's honor and might are being highly demonstrated as we witness in the era of the Workers Party called after the dignified name of our great party. [applause]

All brilliant victories and successes achieved in the struggle for the implementation of the socialist rural theses in the past are a noble result of the wise leadership of the party and the leader [suryong]. [applause]

The great leader Comrade Kim Il-song—who had provided the deep and strong historic roots for a solution to the rural question in our country and who had solved uniquely and on a *chuche*-oriented basis the peasants' question, that is, the agricultural question, which arose in the stages of the anti-imperialist and antifeudal revolution for democracy and the socialist revolution—presented the "Theses on the Socialist Rural Question," and, thus, he gave perfect ideological and theoretical explanations to all difficult and complicated problems arising in socialist rural construction, and wisely led the struggle for their realization. [applause]

Our party, the great organizer and guide of the struggle for the implementation of the rural theses, presented the cardinal direction that should be firmly grasped in the realization of the rural theses at every stage according to the respected and beloved leader's farsighted plan and ways for its realization. At the same time, the great leader vigorously organized and mobilized the entire

party, the whole country, and all the people into the rewarding struggle for the implementation of the rural theses. [applause]

The great leader Comrade Kim Il-song's leadership in solving the socialist rural question is a model of the revolutionary leadership, which makes it possible to firmly adhere to the socialist principles in all sectors of rural construction and agricultural production and to brilliantly embody them. [applause]

Attaching particular importance to enhancing the ideological consciousness of peasants, who are the masters of rural communities in accelerating socialist rural construction and in developing agricultural production, the great leader Comrade Kim Il-song has firmly given priority to the ideological revolution over all works and, at the same time, has energetically led the people to vigorously push ahead with the technological and cultural revolutions alike.

Even at the time when the internal and external situation became very difficult and complicated and when heavy and vast tasks arose in succession before our revolution, the great leader Marshal Kim Il-song presented the slogan, "Rice Is Synonymous With Socialism, Communism," defined the agricultural front as one of the main offensive fronts of socialist construction, and saw to it that the agricultural working people vigorously supported rural communities in all fields of politics, the economy, and culture.

The great leader Comrade Kim Il-song has shown a brilliant model in scientific farming which most correctly embodies the inevitable demands of socialist rural construction by leading the struggle for the implementation of the rural theses to victory. [applause]

With his deep insight into all difficult and complicated problems arising in socialist rural construction, the great leader Comrade Kim Il-song has organized work in detail and taken measures lest we should lean toward one side and we should miss even one problem.

As the size of agricultural management becomes larger and its technical provisions gradually meet the level of demands, the great leader Comrade Kim Il-song, by enhancing the superiority of *chuche*-oriented agricultural guidance system of our own style which uses county cooperative plant management committee as a basis, has seen to it that we constantly improve and strengthen large-scale socialist collectivist economic management and operation work. At the same time, he has seen to it that while enhancing the guidance role of ownership by all the people over the ownership by cooperative we prepare with foresight the work of gradually converting the ownership by cooperative into ownership by all the people.

With deep insight into the role of the county in developing agricultural production, the great leader Comrade Kim Il-song has concentrated great efforts on the work of strengthening the county, which is a regional unit, a

strong point, linking between cities and rural villages in all fields of politics and culture, and our party has firmly built county party committees in every period and taken active measures so that they can guide rural work in a substantial manner.

The great leader Comrade Kim Il-song created the *chuche* farm method, a most scientific farm method, which is suitable to the specific situation of our country, and led peasants, personally standing at the head of the agricultural front. Thus, he has created an epochal turn in the development of our agricultural production.

The great leader Comrade Kim Il-song led the entire party, the entire country, and all the people to wage the grand struggle to build socialist rural areas. In this way, he showed a brilliant example in leading the masses by implementing the popular mass line. [applause]

The great leader Comrade Kim Il-song always stayed among the popular masses, listened to their voices, and had their earnest desires and aspirations fulfilled, and led them to wage a new heroic struggle and bring about feats.

Last year, the respected and beloved leader Comrade Kim Il-song energetically gave guidance to rural work during his visits to various rural areas, including a tideland in Taean, Yonsa County of North Hamgyong Province, the (Pyongmu) Plateau of Yanggang Province, Kwail County of South Hwanghae Province, and the Yonbaek Field, an area close to the Demarcation Line. [applause]

The great leader Comrade Kim Il-song's visits to the popular masses were visits to educate and awaken them and to mobilize them to the struggle to implement the party's policies. They were also courses to analyze realities in the rural areas, learn the people's aspirations and earnest desires, sum up their experiences, and reflect all of them on the lines and policies of the party and state. These visits resulted in our prosperous and developed socialist rural areas today. [applause]

The entire course of the great leader Comrade Kim Il-song's leadership in building socialist rural areas was filled with his warm love and trust for all our agricultural workers. [applause]

The great leader Comrade Kim Il-song talked with peasants at dry paddies at wind-swept valleys, wet paddies on mid-summer days, or *ondol* rooms deep into the winter night, took care of all their working and living conditions, and extended considerable favors to the peasants by resolving problems facing them.

It is the great leader who first realizes our peasants' frustrating problems and their difficulties and resolves them. [applause]

All the popular masses-centered policies of our party and state concerning the rural areas are filled with the great fatherly [oboi] love of the great leader, who even worries about the peasants' [word indistinct] at a time for

transplanting rice seedlings, their rain coats during the summer, and [words indistinct]. They are also filled with our party's warm favors. [applause]

Truly, a few words are not enough to fully describe the wise leadership of the great leader Comrade Kim Il-song and our party Central Committee's energetic guidance in building socialist rural areas. [applause]

What do the struggle which was waged for the past thirty years to build socialist rural areas and all historic victories which were brought about in this process tell us? They tell us that the "Theses on the Socialist Rural Question in Our Country," which the great leader Comrade Kim Il-song presented, are the only just guideline that completely eliminates the legacies of the outdated society—which remained in the rural areas even after the socialist system was established—and ultimately resolves the rural question and that only when one follows the wise leadership of the party and the leader [suryong], one can brilliantly complete the cause of building socialist rural areas and build an excellent and [word indistinct] *chuche*-oriented socialist society—which all people earnestly desire—without any deviation, twist, or turn. [applause]

The cause of liberating peasants, a cause that the great leader Comrade Kim Il-song cultivated in the dawn of the Korean revolution and has persistently developed ever since, has advanced far under our party's leadership, and we will in the near future see the day when we will complete the historic cause of building socialist rural areas and fire a salute of guns on the complete victory of socialism. [applause]

The rural theses, which many people considered to be ideal 30 years ago, have become a brilliant reality in our rural areas today. With the great leader Comrade Kim Il-song, who has brought about this cataclysmic change, in attendance, we today are summing up the historic victory of the rural theses. This is our people's great honor and a great felicitous revolutionary event. [applause]

Under the wise leadership of the party and the leader, we brilliantly solved the problem involving peasants and the agricultural problem, which are difficult and complicated problems in building socialism, from the stand of *chuche*. In this way, we showed an example in building socialist rural areas. We can proudly talk about this. [applause]

Our people and agricultural workers will also in the future defend and maintain the most excellent socialist rural economic system that the great leader Comrade Kim Il-song established and that our party is glorifying. They will also more vigorously accelerate the *chuche*-oriented cause of building socialism.

On this meaningful National Agriculture Meeting in which we are summing up the rural theses, with the boundless admiration and fervent loyalty of all people and agricultural workers, I extend the greatest honor and

warmest thanks to the great leader of our party and our people Comrade Kim Il-song, who built the most excellent socialist rural economic system in our country, created a brilliant example in solving the socialist rural problem, and wisely led our people's long struggle—to build socialism—to endless upsurges. [applause]

Comrades: Today, we have an honorable task to further consolidate and develop the rural economic system in our country and score new upsurges in agricultural production based on the great victories of the rural theses.

The great leader Comrade Kim Il-song elucidated a militant task to thoroughly implement the policy of giving top priority to agriculture, the light industry, and foreign trade, a policy presented in his New Year's address, his historic letter to this meeting, and the decision at the 21st plenary meeting of the sixth party Central Committee, and to further accelerate the cause of building socialist rural areas. He also elucidated how one can carry out this militant task. [applause]

The revolutionary economic strategies and tasks to build rural areas the party presented are a major guideline that must be firmly adhered to in the struggle to fulfill our people's earnest desire to eat rice and meat soup, wear silk clothes, and live in a tile-roofed house and in the struggle to further glorify popular masses-centered socialism of our own style. They are also an encouraging banner that calls all our people and agricultural workers to a new worthwhile struggle and feats.

Scoring endless upsurges in the building of rural areas and light-industrial production is a key to success in carrying out the party's revolutionary economic strategies. As indicated in the old saying "Agriculture is the foundation of a nation," nothing is more important than doing farming well and satisfactorily solving the food problem. As the saying "Well fed, well bred" goes, when we do farming well and have abundant food as a result, the people's awareness will improve and we will be able to solve the clothing and housing problems smoothly and strongly defend socialism and continuously glorify it despite the enemy's challenges and aggression maneuvers.

In the supply of rice to the people, realizing the communist distribution of rice is our party's firm position.

We should continuously make innovations and advance in all areas of rural construction and agricultural production, firmly holding the party's agriculture-first policy. By doing so, we should further strengthen the might of the chuche-oriented socialist rural economic system.

In order to strengthen the socialist rural [word indistinct] and to effect a new upsurge in the rural construction and agricultural production, we should continue to advance, without deviation, along the revolutionary road that the great leader Comrade Kim Il-song elucidated in the "Theses on Our Socialist Rural Problems," as we did in the past.

Because of their truthfulness and universality, ideologies and theories in the rural theses have eternal vitality in the struggle to consummate the popular masses' cause of independence, and serve as an immortal banner and beacon that illuminates the future of socialist rural construction. [applause]

We should, above all, continue to vigorously carry out the ideological revolution in the rural areas, so that we can firmly unite all agricultural working people around the party and the leader, strengthen the single-hearted unity of our revolutionary ranks, and raise them all to be enthusiastic revolutionaries who are loyal to the socialist cause.

It is an important task we face in the course of the ideological revolution today to make all agricultural working people have firm faith in and will for the victory of the socialist cause. One's ideology that is unswayable and invariable under any difficult situation comes from a firm faith in the greatness of one's leader [suryong] and one's leader [yongdoja]. Faith indoctrination [sinnyom kyoyang] and will indoctrination [uiji kyoyang] are essential in helping people deeply experience the greatness of the party and the leader [suryong].

We should take the greatest care of our revolutionary ranks' single-hearted unity hardened as firm as a rock under the party's leadership and should further consolidate and develop it. We should also have a strong will and the firm belief that the chuche socialist cause will achieve the victory without fail as long as the leadership of the party and the leader exists, and should consider the loyalty to the party and the leader a faith, consciousness, a moral, and a routine.

Functionaries and working people of the agricultural sector, in particular, should highly display the revolutionary spirit of self-reliance and fortitude.

The spirit of self-reliance and fortitude is the revolutionary spirit based on the economic view that we will consummate the revolution and construction with our own strength. It is also the invincible fighting spirit of defending the revolutionary banner, unyielding under any trial or difficulty.

Just like we have advanced while upholding the revolutionary slogan for self-reliance and fortitude, we should smash all antisocialist maneuvers by imperialists and reactionaries and consummate the socialist cause, upholding this slogan in the future, too. "Let Us Vigorously Accelerate the General Onward March of Socialism With the Revolutionary Spirit of Self-Reliance and Fortitude" is called for by our party and is a militant slogan that our people should uphold today. [applause]

Following all the functionaries and working people in the agricultural sector who struggled to increase food [words indistinct] in those severe days of war, cities and rural areas that were laid to ruin, in an empty land devoid of practically anything were reconstructed and effected a great Chollima upswing, we should stoutly struggle with

the vigor of the Chollima speed of the nineties and with the revolutionary spirit of self-reliance and fortitude. By doing so, we should completely implement the party's revolutionary economic strategy and greatly advance the superiority of the chuche-oriented socialist rural economic system to the maximum.

Also, we must work so that all the agricultural workers enthusiastically concur with the great reality of our system and our socialist fatherland and strengthen socialist and patriotic indoctrination, so that we can have high spirit and affection toward our system and socialist fatherland. In addition, we must work so that all the agricultural workers endlessly treasure, firmly advocate and adhere to, and endlessly elucidate generation after generation the immortal leadership achievements of the party and the leader that infinitely devote their energy and efforts to provide a gracious socialist system.

We must further strengthen collective indoctrination in accordance with the intrinsic nature of socialist society among the agricultural workers so that they can firmly establish the chuche-oriented outlook on life and collective outlook on living, and endlessly train themselves through organized life and practical production to persistently and assiduously carry out farm work from the position of master responsible for the country's rice chest. We must also highly display the communist virtue in all fields of socialist life and decisively reject all kinds of capitalist ideology and out-dated conventionalities based on individualism.

Continuously pushing ahead with the technological revolution on farms is an important task in enhancing agriculture to a highly industrial and modern level, making the farmers carry out farm work more easily and pleasantly, and in achieving endless upsurges in agricultural production. We must consolidate the results achieved in irrigation, standardization, mechanization, and chemicalization in the rural economy, increase state investment in agriculture, and further strengthen the material and technological basis, so that a new epoch-making progress can be made in agricultural production.

We must manage and reinforce the existing irrigation facilities in the rural economy section well, and prospectively carry out irrigation construction which can sufficiently guarantee water in the increasing reclaimed land and new land. This is to all the more smoothly solve the demand of [word indistinct] irrigation water and actively promote the irrigation of the technological land reclamation construction to change the pumping water irrigation system into a natural water supply system, and thoroughly establish the [words indistinct] system so that the [word indistinct] irrigation system of our country can bear even more fruit.

We must maintain the electricity production technology which we have already provided even more, exert efforts to normalize production at a high level, quickly finish the construction of the on-going construction of power stations, and construct more small, and medium-sized

power stations through an all-people's movement, to smoothly satisfy the demand of electricity which is increasing on farms.

We must consolidate and develop the results achieved in the overall irrigation of the rural economy even more to further enhance the mechanization level of the rural sector, and work so that farming can be carried out without aid from cooperative farms. If the overall mechanization level of the rural economy is to be endlessly enhanced, various modern agricultural machines such as tractors and trucks must be produced and supplied.

We must continue to exert efforts for the mechanization of the rural economy to smoothly solve the increasing demand of tractors and trucks in the farms, and must produce and supply more agricultural machines which are necessary in the mechanization of difficult work including rice planting, removing young rice plants from seedbeds, preparation of the ridges of rice-field plots prior to seed transplants, and autumn reaping. Also, we must produce and supply more agricultural machines that are appropriate for mountainous areas and slopes.

We must all the more firmly maintain repair bases including tractor spare part plants and agricultural machine work sites, expand their capacities, systematically establish the agricultural management and operation system, and accelerate chemicalization so that the utilization of agricultural machines can be enhanced to the utmost. Also, efforts must be continuously made in the land readjustment work to provide a more favorable condition for the mechanization of agricultural work.

Under conditions in which our country's agricultural development is reaching a high stage, the largest reserve in agricultural production is to all the more realize chemicalization at a high stage for the rural economy. We must work so that the chemical fertilizer plants can strengthen their material and technological basis; produce and supply additional varieties of chemical fertilizers needed on farms; and work to guarantee [word indistinct] element fertilizer including silicon fertilizer, slightly burnt magnesia fertilizer, and boron in accordance with the assortment of fertilizers. We must actively promote and produce organic fertilizers including [word indistinct] fertilizer, human decomposed fertilizer, and nitrogenous fertilizer whose superiority was proven in recent new studies, and [words indistinct].

The rural economy sector should properly carry out management of possession and maintenance of chemical fertilizer in conformity with its [word indistinct], widely introduce new manuring methods, and increase to the maximum the [word indistinct] of chemical fertilizer. At the same time, the rural economy sector should use more varieties of [word indistinct] agricultural chemicals, and herbicide to protect the crops from damage from blight and insects and to help weed fields.

Vigorously waging the rural cultural revolution on a continuous basis is an important task of the agricultural

working people to enhance the level of their technological knowledge and culture and, thus, to build rural communities in a more civilized way.

We should strengthen education in agricultural colleges and agricultural technical schools that study agriculture. Also, we should meet the needs of the agricultural sector by training more talented personnel with technology by including as many cooperative farm members as possible in education institutions, like farm colleges, so agricultural working people can study while working. We should wage the work of spreading the knowledge on agricultural science and technology among the agricultural working people through agricultural science and technology propaganda rooms and should actively wage mass cultural work. Thus, we should enhance the agricultural working people's technological and cultural level so that they can lead their rural cultural life in a more varied ways.

Along with this, we should build more houses for peasants and make all rural villages more cultural and sanitary and a better place to live.

By thoroughly implementing the *chuche* farm method on the strength of the firm material and technological foundation of our agriculture and the agricultural working people's high technological and cultural level this year, when we greet the 30th anniversary of the publication of the rural theses, we should effect another great upsurge in agricultural production and lift the development of our agriculture up to the highest level. [applause]

The rural economy sector should constantly increase the ranks of county with high yield crops by vigorously waging the movement to win the county with high yield crops and should see to it that a great upsurge is effected in all agricultural production units by waging the struggle to produce grain crops of more than 10 tonnes per chongbo [one chongbo is 2.451 acres].

We should not only vigorously accelerate tideland reclamation work by concentrating all-nation and all-people efforts on it, but should also accelerate the projects of infrastructure nets so that farming can be properly carried out in already reclaimed tidelands. At the same time, we should actively wage the struggle to expand tilled land by cultivating hills and idle land.

The rural economy sector should assiduously manage tilled land in the same spirit that peasants displayed in the struggle during the arduous period of the fatherland liberation war, upholding the slogan of "Let us not leave even an inch of land uncultivated," and should see to it that all sectors and units strictly abide by the land law. The rural economy sector should concentrate all efforts on farming, should farm properly according to the demands of the *chuche* farm method, and should, thus, attain production goals for grain crops without fail. It should also further develop all sectors of agricultural production such as the sectors of vegetable, industrial crops, livestock, orchard, and sericulture. The present

era is the era of science and technology, developing agricultural science is an urgent task to rapidly increase agricultural production.

All scientists and technicians in the agricultural sector should accelerate the green revolution based on already attained successes, and should actively pioneer basic sciences and new agricultural science, including biology, physiological chemistry, cytology, and genetic engineering. Thus, they should actively wage research activities to enhance the level of intensification, modernization, and scientification of agricultural production.

We should further strengthen the industrial management method of guidance to agricultural production and further enhance the level of planning and organizing management activities. We should thoroughly embody democratic principles in managing and operating cooperative farms and vigorously wage the struggle to increase production. At the same time, we should properly carry out the sub-work team management system and the work team bonus system, and further improve and strengthen the labor, property, and financial management by establishing the prime cost calculation system of agricultural production.

By firmly building the material and technological foundation of state enterprises serving the rural economy, by continuously enhancing the roles of material and technological means of state ownership in agricultural production, by constantly enhancing the guidance role of ownership by all the people over ownership by cooperative farms, and by taking measures to gradually convert cooperative farms into farms under the ownership system by all the people in the future, we should see to it that the ownership by all the people is firmly established.

Further strengthening rural party work in conformity with the developing realities is a firm guarantee for accelerating overall socialist rural construction. Rural party organizations should firmly grasp the party's overall agricultural policies, should enhance the responsibilities and awareness of administrative and economic functionaries, and, thus, should see to it that all the agricultural working people unanimously rise up as one in the struggle to implement the party's agricultural policies and the *chuche* farm method, giving priority to the party's political work, that is, work with men.

Party organizations in the rural economy sector should enhance the role of public organizations such as the Agricultural Workers Union and the Socialist Working Youth League and should wage the movement to win the red flag of the three revolutions and the movement to follow and emulate the model set by unheralded heroes in close combination with the work to exalt beautiful communist virtues. Thus, party organizations in the rural economy sector should see to it that the agricultural working people can devotedly work for the party, for the revolution, for society, and for collectives as the masters of the socialist collectivist economy.

In particular, county party committees should properly manage counties and properly carry out party guidance so that the county's role can be further enhanced in socialist rural construction.

All functionaries of the rural economy sector should deeply cherish in their hearts the honorable mission for the party and the revolution and mingle with the peasant masses in accordance with the demands of the revolutionary slogan, "We serve the people." They should also take the lead in the implementation of the party's policies while smelling soil and compost together with the peasant masses. Thus, they should become genuine servants for the people who can skillfully organize and mobilize the masses.

Comrades: With the achievement of the great victory of the socialist rural theses under the wise leadership of the party and the leader [suryong] our country's socialist might has strengthened to be invincible, and we have come to have greater assets which enable us to guarantee the country's grandeur and development and the people's happy life. Our struggle has become more rewarding and mighty, and the future prospect of our country's socialism has become brighter.

The external situation of our revolution is still serious and complicated, and our people's struggle is difficult and arduous. However, because of the tested leadership of the great party and the might of the popular masses who have firmly united around the party and the leader as one ideological will, no imperialist reactionary forces can frustrate our people who are fighting with courage and firm faith in the correctness of our cause nor can they divest the independent and creative life of our people and the agricultural working people.

History shows that the struggle of the people who are advancing under the banner of the revolution, that is, the banner of socialism, while surmounting all sorts of trials and difficulties, will be victorious without fail and that their achievements will be glorified forever along with the development of the times.

We should effect a new great upsurge in all sectors of the revolution and construction with the great national dignity of being blessed with the leadership of our party which is firmly leading the eternal grandeur and prosperity of the country and the consummation of the chuche revolutionary cause to certain victory while shielding the destiny and future of our fatherland, our revolution, our people, and our future generations. Thus, we should brilliantly record the nineties, the last era of the 20th century, and should dash toward the 21st century, a bright and hopeful new century. [applause]

Let us all firmly unite around the party Central Committee headed by the respected and beloved leader Comrade Kim Il-song and vigorously fight to expedite the completion of the socialist cause and the fatherland's reunification under the revolutionary banner of the chuche idea. [applause]

Long live Comrade Kim Il-song, the great leader of our party and our people. [applause and hurrah]

Long live the glorious Workers Party of Korea, the organizer and guide to all victories of the Korean people. [applause and hurrah]

Long live the 30th anniversary of the publication of the great socialist rural theses. [applause, hurrah, shouting of slogans]

South Korea

Official Says U.S.-DPRK Talks May Be Delayed
SK0903105094 Seoul YONHAP in English 1041 GMT
9 Mar 94

[Text] Seoul, Mar. 9 (YONHAP)—The third-round U.S.-North Korea high-level talks, scheduled for March 21, may be put off until a later date as chances are now slim for the exchange of special envoys between South and North Korea before the talks.

A Seoul government official said on Wednesday that even if there is a dramatic inter-Korean accord on the exchange soon, it would be hard to materialize it before the March 21 talks in view of a period of time needed in preparing for the exchange. He noted that it was earlier decided that special envoys would be exchanged prior to the third-round U.S.-North Korea talks. "There is no change in this decision on the part of South Korea and the United States," he said.

At least 15 days' preparatory period is necessary for the exchange, said the official, adding that this means that even if the two sides agree on the exchange at the next contact slated for coming Saturday, March 12, it would be physically impossible to exchange envoys before March 21. He said it appears North Korea is trying to drive a wedge into the South Korea-U.S. cooperative system by deliberately postponing the exchange of envoys until after March 21.

The official said that if North Korea suggests at Saturday's contact for the exchange of envoys after March 21, South Korea and the United States would not turn it down as a breach of agreement. In such an event, he said, the third-stage Washington-Pyongyang talks would be put off until after the materialization of the exchange of envoys. The official added, however, that if North Korea keeps shunning the exchange even at the upcoming contact, the recent U.S.-North Korea agreement on the North Korean nuclear issue would automatically be nullified.

"In this case, there exists the strong possibility that the conditional suspension of the '94 Team Spirit exercise and the planned third-round U.S.-North Korea talks would be withdrawn," he said.

Vice Foreign Minister Cited

*SK0903114494 Seoul KBS-1 Radio Network in Korean
1100 GMT 9 Mar 94*

[Text] After attending a training course for the district chapter chairmen of the Democratic Liberal Party, Vice Foreign Minister Hong Sun-yong said today that the inspection of North Korea by the International Atomic Energy Agency [IAEA] had not reached a point that would be acceptable to us, and that the North-South dialogue had not proceeded smoothly. It is therefore not clear whether the third round of U.S.-North Korean high-level talks will be held on 21 March as scheduled.

Vice Foreign Minister Hong said: If the talks are not held as scheduled, the North Korean nuclear issue cannot but return to the starting point. Considering this, the government has continued to discuss the presentation of the nuclear issue to the UN Security Council with friendly countries, such as the United States.

Official Says IAEA Inspections 'Going Smoothly'

*SK0903005994 Seoul YONHAP in English 0049 GMT
9 Mar 94*

[Text] Seoul, March 9 (YONHAP)—Seoul denied reports Wednesday that International Atomic Energy Agency (IAEA) inspections were being hampered in North Korea.

"The inspections are going smoothly so far," said a Foreign Ministry official. "IAEA activities are expected to conclude around March 14 or 15."

The IAEA inspectors who arrived in Pyongyang on March 3 have just about finished checking five of the seven declared facilities, the official said. However, the remaining two installations—a 5-megawatt nuclear reactor and a radiochemical laboratory used for reprocessing—are critical in determining whether North Korea diverted any nuclear material for non-peaceful uses.

The vernacular daily TONG-A ILBO reported that North Korea was restricting IAEA access to these two facilities. The story came out on the same day South and North Korea were to meet at the truce village of Panmunjom to arrange an exchange of presidential envoys.

Official Says DPRK Delaying Inspection Schedule

*SK0903021294 Seoul TONG-A ILBO in Korean
9 Feb 94 p 1*

[Text] North Korea, claiming that it has not agreed that the exchange of special envoys between the North and the South should be a precondition for the third round of North Korea-U.S. high-level talks, is delaying allowing the International Atomic Energy Agency [IAEA] to extract test material from major nuclear facilities, thus laying a stumbling block.

Hearing the report from relevant authorities on the afternoon of 8 March that a stumbling block is laid on IAEA's nuclear inspection now ongoing in North Korea, the government discussed measures for this, and decided to reconfirm that North-South special envoy exchange is the precondition for North Korea-U.S. talks.

On 8 March, a high-ranking government official said that "North Korea, contrary to its previous promise, is claiming that the inspection of the core facilities, including 5-megawatt nuclear reactor and a radiochemical laboratory, should be conducted at the end of the schedule, thus making the inspection, including extraction of test material, delayed."

This official pointed out that "North Korea, claiming that the North-South special envoy exchange is not a precondition for the third round of North Korea-U.S. high-level talks, threatened that if the United States continually insists on special envoy exchange as the precondition for the talks, North Korea will not allow the inspection of core facilities."

The official noted that "the inspection team, changing its original plan, is continuing inspection activities, including replacement of batteries of surveillance cameras installed in the other five nuclear facilities. Whether North Korea will reject the inspection of core facilities to the end or not is a matter that we should continually watch."

This government official stressed that "during the recent New York working-level contact with the United States, North Korea agreed that the North-South special envoy exchange must be realized before the third round of talks." Thus, he reconfirmed it is the firm position of the ROK and the United States that the third round of high-level talks will be held only after the special envoy exchange is realized.

In particular, the government is going to reconfirm this existing position during forthcoming talks with Robert Galluci, U.S. assistant secretary of state, for readjustment of the positions of the ROK and the United States toward the third round of talks.

The official also noted that "as the special envoy exchange is clearly a precondition for the third round of talks, it is not necessary for us to raise a specific demand that the special envoy exchange must be realized before the third round of talks during the working contact with North Korea slated for 9 March." He added that "whether or not North Korea sincerely accepts nuclear inspection as previously promised and respond to special envoy exchange is a matter which North Korea should decide according to necessity for a third round of high-level talks."

However, North Korea, in a statement issued in the name of Kang Sok-chu, North Korean vice foreign minister, on 4 March, threatened that if the United States continually maintains that the envoy exchange

must be realized before third round of talks, North Korea cannot satisfactorily ensure the inspection by IAEA.

9 Mar N-S Contact Fails 'To Make Any Progress'

SK0903061394 Seoul YONHAP in English 0603 GMT 9 Mar 94

[Text] Panmunjom, Korea, March 9 (YONHAP)—North and South Korea failed to make any progress on exchanging special envoys at a meeting in the truce village of Panmunjom on Wednesday, agreeing only to meet again this weekend.

At the meeting held in North Korea's Unification House, the South asked the North to drop four demands made at the previous four meetings and to respond to Seoul's proposal on an exchange of special envoys.

Vice Unification Minister Song Yong-tae, who led the South Korean delegation to the meeting, warned that if North Korea insisted on its "unreasonable demands," it would be accused of "erecting a barrier to a special envoy exchange."

Stressing that the envoy exchange is a pressing issue that cannot be put aside, he said he expects North and South Korea will jointly work for reconciliation, cooperation and co-prosperity by realizing an exchange of special envoys.

But chief North Korean delegate Pak Yong-su, reiterating the four demands, offered a counterproposal calling for two additional items, including maintenance of national self-reliance, in the agenda for discussion by the special envoys. He also proposed that the South Korean envoy visit Pyongyang first for three nights and four days and that the preparatory period for the visit be 15 days.

North Korea's four demands include suspension of the joint South Korea-U.S. military exercise "Team Spirit," withdrawal of President Kim Yong-sam's remarks on North Korea's nuclear program and scrapping of the U.S. plan to deploy Patriot missiles in South Korea.

Representatives' Conversation Cited

SK0903075194 Seoul YONHAP in English 0713 GMT 9 Mar 94

[Text] Panmunjom, March 9 (YONHAP)—The sudden cold snap was their first topic when South and North Korean representatives met again after six days Wednesday at the truce village of Panmunjom to discuss the long-awaited exchange of special envoys. "It feels like winter's final spite," the North's chief negotiator Pak Yong-su said in lieu of welcoming his South Korean counterpart Song Yong-tae.

"It was warm until yesterday, but the mercury plunged to below zero Celsius this morning," Pak noted. "We have had rain in Seoul and the central region since Monday. I

believe spring flowers will start blooming sooner or later," Song retorted in an equally breezy greeting. "Willow buds are the first to announce spring...wild garlic and Shepherd's Purse (spring plants Koreans commonly eat as a vegetable dish or in soup) are already out and I had them for breakfast," was Pak's next addition to the small talk.

"I hope to see the special envoys come and go during this beautiful spring," said Song, finally getting down to the nitty-gritty.

—The two representatives were able to agree in principle on at least one thing—stepping up inter-Korean economic cooperation.

Processing-on-commission trade between South and North Korea in the past two months reached 2.8 million U.S. dollars, already 60 percent of last year's performance, Song said, implicitly proposing direct exchanges so as to boost two-way trade. "Well, 2.8 million dollars in two months is less than expected," Pak said, suggesting that the communist regime has been busy putting its trade-first policy into action. "If South and North Korea run together toward the world, it won't be just one plus one becoming two, but our forces multiplying 10- and 20-fold," Song predicted.

—Pak was, as always, witty, asking Song if he had cooked for his wife the previous day. "March 8 is international married women's day and I make it a habit of cooking for my wife that day," Pak said. "How nice, and I thought you were a hen-pecked husband..." Song jested. As for himself, he said that he entertains his wife by taking her on trips or for a drive every now and then.

—North Korea made a keynote statement first as the meeting took place on the Northern side of Panmunjom. Before getting to the closed-door session, Song commented on news reports after their previous contact last Friday. He said he was personally embarrassed by press reports calling the last meeting "much ado about nothing," adding that he had hoped to see articles picturing this contact as having blossomed like a flower. "Let's be patient. Good results will come out in the end," Pak responded.

—The two negotiators again tossed back and forth thorny and playful barbs. Pak started by saying he read in a South Korean newsweekly that Song practices a mock meeting before inter-Korean dialogue.

"I wonder who played my role. I hope to be friends with 'him'," he said. "I also read in one newspaper where you said you knew what I'm thinking just by looking at my eyes. Well, tell me what my eyes say today," he ventured.

The two then picked up on their joke about the envelope and briefcase that Pak first mentioned at last week's meeting.

"I see you haven't brought your big briefcase this time. I guess you don't have too much to offer this time," the

chief North Korean negotiator observed. "Well, instead of a briefcase, I brought with me a big bundle," Song countered, pointing to a white envelope brought by Pak and bantering, "You won't feel very comfortable carrying an empty envelope around."

"Since you came here (Northern side of the truce village), we will have to give you something big this time... Let's do well," Pak said expansively.

South Senior Delegate Cited

*SK0903100794 Seoul KBS-1 Radio Network in Korean
0900 GMT 9 Mar 94*

[Text] After the North-South working-level contact ended, Vice Unification Minister Song Yong-tae, our side's senior delegate to the contact, said that the North side had shown a positive sign by proposing an amendment to the agreement regarding the procedures for the exchange of special envoys, but the North and South failed to make any practical progress in the discussions because the North side has continued to insist on resolving four issues in advance.

Delegate Song Yong-tae said that senior delegates from the two sides met separately and frankly exchanged their views for approximately 20 minutes after the working-level contact ended. He did not comment in detail on the contents of the meeting, but said that the sixth North-South contact, which will be held on 12 March, would likely be a turning point in determining the success or failure of the exchange of special envoys.

Delegate Song Yong-tae said that at present, he cannot be pessimistic nor optimistic on whether the exchange of special envoys is held before 21 March, the day the third round of U.S.-North Korean high-level talks is scheduled. He stressed that our government's position remains unchanged, and added that the North side is likely to be aware of the fact that the third round of U.S.-North Korean talks cannot be held without the exchange of special envoys between the North and South.

Daily Sees 'Inconsistency' in U.S. Nuclear Policy

*SK0903093294 Seoul TONG-A ILBO in Korean
9 Mar 94 p 4*

[Article by Chong Tong-u, international affairs desk reporter: "The Two Faces of the U.S. Nuclear Policy" from the "Reporter's Eye" column]

[Text] A foreign report said that on 6 March the United States successfully test-fired a cruise missile for the first time this year over northern Canada. That day, the two missiles without warheads were fired from a base in the northern edge of Beaufort Sea in the North Pole and reached Alberta and Saskatchewan Provinces in west Canada, respectively, after flying 2,500 kilometers. Concerning this, the U.S. military authorities merely noted that a cruise missile test-firing was conducted, and did not elaborate on the functions of the fired missiles or any

other details. It is not necessary for one to mention again what these missiles are used for.

Almost at the same time, a train carrying 60 nuclear warheads arrived in Russia from Ukraine. The warheads, which were left in Ukraine after the collapse of the former Soviet Union, were to be moved to Russia and dismantled according to the agreement signed by U.S. President Clinton, Russian President Yeltsin, and Ukraine President Leonid Kravchuk last January. This agreement stipulates that all of the 1,600-odd nuclear warheads and 176 long-range missiles in Ukraine will be destroyed. It is a fact already known to the world that this agreement was realized through strong and persistent U.S. diplomatic efforts.

How should we explain the inconsistency of the fact that the very moment when nuclear weapons of one country were being destroyed, another is test firing a nuclear delivery system?

The United States voluntarily assumed the role of world police both in name and reality. This being the situation, the United States is attempting to inquire into not only political and military but also economic and even human rights issues of the nations of the world, and asserts that it will punish them for their wrongdoings. Strong measures against the North Korean nuclear development are a practical example of the role of global police from the military standpoint. Making an issue over the ROK's National Security Law and interfering in the human rights issue in China are the result of voluntarily assuming the role of police on human rights. It is true that the voluntary assumption of the police role by the United States has positive aspects, because a certain order and system should be maintained in the international community, just as in relations between individuals, and because the United States has become the only superpower of the world, both in name and reality, after the collapse of the U.S.-Soviet Union confrontation system. Thus, it is not bad for the United States to assume the role of maintaining military and diplomatic order.

However, whoever maintains order should be stern with itself as much as it demands order from others so as to win their trust. Since the United States demands that the international community reduce its nuclear weapons and delivery system, it should also refrain from acting to evoke suspicion from the international community. Is the United States stern enough with itself so as to be recognized as the police by the international community?

PRC Reportedly Says DPRK Lacks Nuclear Capability

*SK0903011494 Seoul TONG-A ILBO in Korean
9 Mar 94 p 2*

[By Kim Chung-kun from Beijing]

[Text] China has been closely analyzing North Korea's nuclear technology level during the past year since the

North Korean nuclear issue became an international issue. It was learned that China ultimately concluded that North Korea had not yet reached the level of developing nuclear warheads.

A high-ranking diplomatic source in Beijing said: "After a long investigation into various aspects of the North Korean nuclear issue, China judges that North Korea's current nuclear technology is only at the level of reprocessing plutonium and that it has yet to reach the level of nuclear enrichment."

According to this source, China views that North Korea's economy limits nuclear development.

Paper Reports on 8 Mar Trade Talks With U.S.

*SK0903022794 Seoul HANGUK ILBO in Korean
9 Mar 94 p 2*

[Text] At ROK-U.S. working-level trade talks held on 8 March in Seoul, concerning the issues of automobile and intellectual property rights, the U.S. side strongly urged the ROK side to further reduce tariffs on imported cars and to conduct a special crackdown on those who violate intellectual property rights, along with revising relevant laws and regulations established to protect the rights.

In the talks, while highly assessing the results of the ROK side's efforts to crack down on violators of the intellectual property rights, the U.S. side not only called for the ROK side to conduct a stronger crackdown on violators, but also strongly urged it to revise its laws and regulations so as to match those of the intellectual property agreement of the Uruguay Round and the level of those of advanced countries.

Concerning the issue of opening the automobile market, the U.S. side, claiming that the ROK authorities have taken such an unfavorable measure as conducting a tax audit on those who purchase foreign cars, strongly urged the ROK side to stop taking such a measure and to further lower tariffs on imported cars from the current 10 percent.

However, recalling the fact that the laws related to the intellectual property rights such as the copyright protection law, the computer program protection law, the tariff law, and the cabled television broadcasting law have already been revised last year through consultations with the United States, our side explained that the tariff on imported cars has been lowered from 15 percent last year to 10 percent this year and that it is difficult to further lower the tariff because the European Union also levies a 10 percent tariff on imported cars.

USTR Trade Policy Report on ROK Described

*SK0903034194 Seoul YONHAP in English 0238 GMT
9 Mar 94*

[Text] Washington, March 8 (YONHAP)—South Korea has played an active role in the Uruguay Round of trade

negotiations, contributing to global liberalization benefiting its own economy as well as those of its trading partners, the U.S. Trade Representative (USTR) said Tuesday.

In its annual trade policy report released Tuesday, the USTR said, however, that South Korea should soon implement laws to protect patents, trademarks and copyrights (trips) as reports of piracy and counterfeiting continue. The USTR also urged Seoul to ease formal and informal restrictions on motor vehicle imports.

"As part of its contribution to a successful Uruguay Round, Korea will lower barriers to trade that will benefit U.S. exporters and investors," the report said.

It recalled that last July, Presidents Bill Clinton and Kim Yong-sam launched the Dialogue for Economic Cooperation (DEC), a one-year initiative to expand bilateral economic ties with special attention paid to Korea's plans to deregulate and internationalize its economy.

"Liberalization of Korea's investment restrictions is a top priority for the United States in these consultations," the report said.

In another area, the United States and South Korea concluded an agreement in July 1993 which contained specific steps to open Korea's beef market fully, it said. The agreement, subsequently expanded and modified as part of the Uruguay Round negotiations, strictly limits the Korean Government's involvement in regulating importation and distribution of beef and creates an alternative private-sector distribution channel, it said.

Korea has also taken positive action in lowering tariffs on agricultural and manufactured goods, it said.

"In the services area, Korea has provided broad commitments with relatively few qualifications," it said. "Korea's commitments are especially strong in advertising, architecture, engineering, computer services, construction, value-added telecommunications, and movement of personnel."

"Korea's offer provides not just a standstill commitment to adopt no new restrictions, but a rollback of existing restrictions," it said.

Last December, Korea completed its accession negotiations to the GATT (General Agreement on Tariffs and Trade) government procurement agreement in renegotiating the pact in parallel with the Uruguay Round.

The agreement will result in significant new opportunities for U.S. exporters from 1997, the report said.

Editorial Questions Stance on Rights Issue

*SK0903080494 Seoul HANGYORE SINMUN in Korean
9 Mar 94 p 3*

[Editorial: "The World Focuses on the National Security Law"]

[Text] It is deplorable that political discussion on the National Security Law [NSL], which is well known as an evil law trampling upon human rights, has not shown any progress although it has, with the domestic movement to repeal the law, become a matter of international concern. Both a high-ranking U.S. Government official and the U.S. secretary of state remarked on their hopes for the repeal of the NSL and it is a main issue at the UN Human Rights Commission Conference being held in Geneva, Switzerland. Considering that the Human Rights Commission Conference adopted a resolution recommending the phased repeal of the NSL in Vienna in 1992, it is conceivable that a stronger resolution may be adopted this time. It seems that we will not be able to avoid being labeled as a "country with underdeveloped human rights."

While not demanding repeal with the help of international opinion, we must reemphasize our opinion regarding the government and ruling party's insistence on disapproving the revision or repeal of the NSL, and their objection to international opinion.

First, let us examine if the revision or repeal of the NSL is a domestic issue that should not be discussed by others. The foreign minister called the U.S. ambassador to the ROK to protest the remarks by U.S. Deputy Assistant Secretary of State Hubbard, and the Democratic Liberal Party issued a statement refuting the confirmation remarks by Secretary of State Christopher. They all asked for a halt in remarks that interfere in internal affairs. Although we would like to positively appraise the government and the ruling party's apparent change in attitude from one of swallowing its anger on unsatisfactory points in relations with the United States, we cannot but criticize their points of refutation. Without mentioning the Universal Declaration on Human Rights, the human rights issue is already a matter of international concern and no one can deny that it is common practice to apply international measures. Moreover, the International Human Rights Conference held in Vienna in July 1993 declared that protection and improvement of human rights is a legal concern for the international community. We have to recognize that insistence on this as a domestic issue is limiting when considering that our country will have increasingly more occasion to comment on the human rights conditions of foreign countries.

Next, the problem is whether the NSL should remain an evil law that tramples on human rights now that the civilian government is in office. We would like to hear the government's answer to assertions by human rights groups, including the Kennedy Human Rights Foundation, that "illegal retention under the NSL continues." However, an explanation will not solve the problem. The fact that there is a law condemning "human thoughts that are not provable" is itself a contradiction that needs to be raised.

Let us lastly examine why the NSL should be made an issue when related North Korean laws are far more

unreasonable and atrocious. While comparison of North Korea's laws with ours in terms of mutuality in North-South relations is not even worth consideration, if we assume that everything the government and related organizations say about North Korea's legal system and human rights situation are true, and strictly apply mutuality here, we would need to enact more evil laws and tolerate more atrocious human rights infringements. Is this justifiable?

Recalling the interview with the NEW YORK TIMES in 1979 by Kim Yong-sam, then president of the New Democratic Party, urging the United States to "exercise open and direct pressure to then President Pak Chong-hui," we again ask the government and the ruling party if the NSL remains indispensable when it goes against the trend of today's international community which stresses opening up and internationalization.

DPRK Protests ROK Security Law at Rights Forum

SK0903014594 Seoul YONHAP in English 0127 GMT 9 Mar 94

[Text] Seoul, March 9 (YONHAP)—North Korea has retaliated for Seoul's protest against human rights violations in a tit-for-tat spat at the Human Rights Commission Conference in Geneva on Tuesday.

Yi Chol, North Korea's ambassador to Geneva, told the conference that the South Korean Government is a "military regime disguised in the mask of a civilian regime."

Seoul retains fascist laws, Yi said, apparently referring to the national security law which prohibits any unauthorized contact with North Koreans. Yi reminded that even U.S. Secretary of State Warren Christopher has stated as Washington's official position that he wants to see this law repealed.

South and North Korea signed an historic agreement in 1991 on reconciliation and agreement, Yi said, pointing out that Seoul should remain faithful to this accord.

Yi's statements came in reaction to Seoul's protest a day earlier charging that human rights in North Korea are infringed, that individuals are kidnapped or go missing and that individual freedoms are ignored.

Former North Korean POW in Brazil Moves to Seoul

SK0903103294 Seoul YONHAP in English 0840 GMT 9 Mar 94

[Text] Seoul, Mar. 9 (YONHAP)—Kim Nam-su, 61, one of 76 North Koreans taken prisoner during the Korean War (1950-53) who opted for a third country in a POW exchange following the cease-fire, arrived in Seoul on Wednesday afternoon from Brazil, where he has lived for the past 40 years.

"I'm very pleased to return to my home country, which I've long dreamed of," he said upon descending down from a Korean Air plane.

Kim went to Brazil via India in 1954 and was imprisoned in 1963 for stabbing a Japanese-Brazilian to death in a quarrel with fellow Japanese-Brazilians over their contempt for him as a Korean. A Korean church in Sao Paulo helped him get out of prison in 1975, but he killed a Chinese-Brazilian in 1979 and was then placed in a mental hospital.

Aided by a campaign for his release by the Korean community in Brazil, he was freed on Feb. 4. His return to Seoul was arranged by Father Kim Tong-ok of the Korean Catholic Church and the Korean Consulate-General in Sao Paulo.

Kim was the second of the 55 North Korean POWs living in Brazil to come to Seoul, following Yim In-ho's return last year. He will spend the rest of his life in a Catholic nursing home in Eumsong, North Chungchong Province.

Born in Kosong, Kangwon Province, in 1933 and forced to join the North Korean Army while attending high school in Wonsan during the Korean War, Kim said, "I'd like to spend the rest of my life doing something meaningful to me, though I'm old and feeble."

Meeting him at Kimpo International Airport was Kim Chun-cha, who said he might be the brother she parted with in North Korea during the war. He failed to recognize her, however.

Reportage on Visit by Romanian President Iliescu

Romanian President Arrives 9 Mar

SK0903053594 Seoul YONHAP in English 0149 GMT 9 Mar 94

[Text] Seoul, March 9 (YONHAP)—Romanian President Ion Iliescu arrived in Seoul Wednesday for a three-day visit emphasizing economic cooperation with South Korea. Iliescu, Romania's first popularly elected president, meets with his South Korean counterpart Kim Yong-sam later in the afternoon and will be the main guest at a state dinner. He will meet leaders from both the ruling and opposition camps on Thursday. But the highlight of his visit is an industrial tour and meetings with business leaders that will take him to the southern part of the country for a first-hand look at factories, with 22 businessmen accompanying him.

Romania had been a staunch ally of North Korea until Iliescu's election as president, and Seoul officials see his visit as another sign of the cold war's collapse.

Kim and Iliescu will issue a joint statement after their summit pledging to pursue dialogue on political and economic cooperation. The two countries' foreign ministers will sign an aviation agreement on Thursday.

Seoul TV Interviews Iliescu

SK0903032994 Seoul KBS-1 Television Network in Korean 1236 GMT 8 Mar 94

[Report on "exclusive interview" with Romanian President Ion Iliescu by correspondent Yi Hong-ki in Bucharest, Romania; date not given—Iliescu replies are recorded]

[Text] The KBS held an exclusive interview with Romanian President Iliescu, who is slated to visit the ROK on 9 March. President Iliescu provided his views on the situation on the Korean peninsula, North Korea's nuclear development project, and ROK-Romanian economic relations. Correspondent Yi Hong-ki has more from Bucharest, Romania.

[Yi] President Iliescu of Romania, a country with established diplomatic relations with both Koreas, while noting that North Korea's efforts to develop nuclear weapons have gained some results, predicted that North Korea will eventually convert its nuclear development for peaceful purposes due to the International Atomic Energy Agency's inspections.

[Iliescu] I do not think North Korea has great nuclear capacity, but it is considerable. However, I really do not think that North Korea's nuclear development represents a great danger.

[Yi] In the interview with the KBS on his upcoming ROK visit, he assessed that relations have made great progress in various areas since the ROK and Romania established ties four years ago. He pointed out that it is very important to promote political, economic cooperation between the two countries.

[Iliescu] We try to follow the great industrial achievements of the ROK.

[Yi] President Iliescu repeatedly stressed how important the ROK's economic cooperation was for the stability of Romania's democracy and its market economic system.

Joint Statement Issued 9 Mar

SK0903082094 Seoul YONHAP in English 0745 GMT 9 Mar 94

[Text] Seoul, March 9 (YONHAP)—The presidents of South Korea and Romania issued a joint statement on Wednesday after their summit confirming they support international efforts to prevent nuclear arms proliferation. President Kim Yong-sam and his Romanian counterpart Ion Iliescu recognized the necessity of the two countries working together to maintain and expedite the current worldwide trends of peace and cooperation.

"They expressed their support for the international community's efforts to reduce weapons of mass destruction including the nuclear arsenal, and to prevent their proliferation," the statement said.

Iliescu, Romania's first popularly elected president, arrived in Seoul Wednesday for a three-day visit. He is the first Romanian president to visit Seoul since the two countries formed diplomatic relations in 1990.

President Iliescu backed Seoul's efforts to achieve peaceful reunification of the Korean peninsula, while President Kim reasserted South Korea's support for political and economic reforms in Romania as it heads toward creating a democratic society and market-oriented economy.

President Kim asked Iliescu to back up South Korea's efforts to become a member of the United Nations Security Council, and the Romanian president expressed his support for the idea.

The two presidents agreed to encourage investment and industrial cooperation in conformity with their domestic laws, and to forge bilateral agreements in such important economic areas as energy production, including peaceful use of nuclear energy, electro-technics and electronics, and the automobile and shipbuilding industries. They also agreed to expand cooperation in science and technology and to encourage joint research projects and exchanges of scientists and researchers, and of information and experience in the promotion of economic reform, as well as cooperating in professional education and specialization of economic experts and managers.

"In this regard," the statement said, "both presidents agreed to establish the joint committee in conformity with the agreement on economic, scientific and technical cooperation signed on Aug. 7, 1990." The committee's first meeting will be held at an early date deemed agreeable to both sides, according to the statement.

At the summit meeting, the two presidents exchanged views on international affairs including the situation in Northeast Asia, the Korean peninsula and the Balkans, and on ways to expand bilateral relations.

Iliescu will be the main guest at a state dinner on Wednesday night. He is scheduled to meet with leaders from both the ruling and opposition camps on Thursday.

Romania had been a staunch ally of North Korea until Iliescu's election as president, and Seoul officials see his visit as another sign of the Cold War's collapse.

Presidents Speak at Banquet

*SK0903112094 Seoul YONHAP in English 1053 GMT
9 Mar 94*

[Text] Seoul, March 9 (YONHAP)—President Kim Yong-sam thanked Romanian President Ion Iliescu Wednesday for his country's help in attempting to resolve the North Korean nuclear issue. Speaking at a banquet for the Romanian head of state Wednesday night, President Kim expressed hope that Bucharest will continue to support and encourage Seoul in its efforts to achieve peaceful unification of the Korean peninsula.

Iliescu arrived in Seoul earlier in the day and held a summit meeting with President Kim.

"I was pleased to note that in the summit meeting, we confirmed the fact that the friendly cooperative relationship between our two nations has steadily progressed in all fields," Kim said. "In particular, our businesses are venturing into Romania, a very encouraging sign for the promotion of substantial cooperation between our two countries," he said.

An aviation accord to be signed Thursday by South Korea and Romania and a double taxation avoidance agreement taking effect this year will ensure that bilateral relations become firmer and more mature, Kim said.

Romanian President Iliescu, in his table speech, expressed admiration for the Korean people having succeeded against all hardships to defend and maintain their national identity and having made their valuable contribution to the enrichment of universal culture. He said the "Korean miracle," which he said is a source of inspiration for other countries, was the result of persistent efforts, enterprising spirit and skill of the Korean people. "The Romanian people have fought all along their troubled history against foreign domination, in defence of their national identity, and to conquer and protect the independence of their country," he said.

Loan Approved for Romania's Telecommunications

*SK0903014694 Seoul THE KOREA HERALD in
English 9 Mar 94 p 8*

[Text] The Export-Import [Ex-Im] Bank of Korea has agreed with Romania's state-run telecommunications corporation to extend a \$50 million loan from the Economic Development Cooperation Fund (EDCF), a spokesman said.

The agreement was signed in Bucharest last Friday (local time) between Ex-Im Bank president Kim Yong-pin and Dumitru Anghelescu, president of the communications corporation Rom Telecom R.A.

The EDCF loan carries an annual interest of 4.2 percent and has to be paid back over the next 20 years with five years' deferment of repayments of the principal.

The state-run telecommunications company will use the loan for modernizing communications equipment in the Romanian state of Prahova.

Signed prior to the state visit of Romanian President Ion Iliescu today, the agreement is expected to boost bilateral economic cooperation and to help Korean companies export machinery and equipment to East European countries, the spokesman said.

Malaysia's Mahathir Visits for Business Talks

SK0903040694 Seoul THE KOREA HERALD in English 9 Mar 94 p 2

[Text] Look East and learn from the Koreans and Japanese—it's under that slogan that Malaysian Prime Minister Mahathir Mohamad has led his country's economic development since the early 1980s.

His work to create opportunities for Malaysian businesses, in turn, may hold some lessons for Korean government officials and perhaps President Kim Yong-sam himself. Since the beginning of the year, Kim has said he will put top priority on boosting national competitiveness and urged his administration officials to spare no efforts to support businesses.

Frequent overseas working trips low on official protocol are said to exemplify his efforts to achieve the goal of placing Malaysia in the ranks of the most advanced countries, with a per capita income of \$16,000 by the year 2020.

The Malaysian prime minister recently made such a trip to Korea with the sole purpose of business talks. His three-day private visit at the invitation of the Hyundai Business Group made Koreans realize again why he is called the "business premier."

In December 1991, he had made a similar visit to Korea, also at the invitation of Hyundai.

Mahathir arrived in a southern airport Saturday in a small private airplane, accompanied by only three Malaysian businessmen and no government officials. During his visit, he declined any protocol.

Vice Foreign Minister Hong Sun-yong received and saw him off at the Kimhae International Airport in his capacity as former ambassador to Malaysia, not as the vice foreign minister. Mahathir inspected the group's auto plant and shipyard in the southeastern port of Ulsan. He checked a model of a small truck Hyundai plans to produce in a joint venture with a Malaysian business. He focused on business talks with Hyundai Chairman Chong Se-yong and other top executives of the group about the plan for the joint production of small trucks and another plan to order ships.

A Hyundai official said Mahathir asked the group to keep his visit unpublicized so that he could concentrate on objectives.

Besides the two business-only visits, Mahathir has made four other trips to Korea, including his first visit in 1980 when he was trade and industry minister. He made two official visits here as prime minister in August 1983 and in September 1990. Mahathir came to Seoul in May 1992 to speak to a meeting of the Pacific Basin Economic Council, a group of regional private economic leaders.

A Foreign Ministry official said business trips by Mahathir should be a stimulus for Korean officials.

The official, however, said, it is hardly imaginable for a Korean president in the near future to visit a foreign country at the invitation of a private business.

"Korea is different from Malaysia in many ways, such as social atmosphere and people's attitudes," he said. There can also be a gap between words and attitudes of Koreans on the matter, the official said.

"I don't think, despite what they say, that Koreans will accept it as natural for their president to visit a foreign country only for business talks with a private enterprise," he said.

The official pointed out one thing that hinders Korean trade officials from going all-out to support a Korean business in overseas markets. In many cases, competition among Korean companies is fiercer than competition with foreign firms, he said.

"The President has told us to be salesmen for the nation's businesses," the official said. "But whose products will we have to help sell if Korean companies compete with each other?"

ROK, Russia To Open Research Complexes in Moscow

SK0903120994 Seoul YONHAP in English 0154 GMT 9 Mar 94

[Text] Seoul, March 9 (YONHAP)—The Science and Technology Ministry has publicly invited South Korean research institutes and universities to take part in joint-venture research complexes in Russia with Russian think tanks and businesses this month. Ministry officials said Wednesday that Korea and Russia have decided to open three to four pilot research complexes in Moscow this year to accelerate transfers of advanced Russian technology. The project is expected to enhance current Korean-Russian research cooperation, exchanges of researchers and training of engineers, the officials said.

Through the program, Korea will be able to utilize Russia's vast and sophisticated research facilities and brainpower to acquire intensive scientific and technological information from the ex-superpower, they said. The complexes will be locally incorporated through joint investments, with Korea paying cash for maintenance and research in the beginning stage and Russia providing the facilities and manpower. Research will be focused on technologies concerning machinery, materials, and electric/electronics that are lacking among Korean manufacturers as well as physics, chemistry and other basic sciences. For its part, the government will offer advice, help in choosing, commissioning and registering Russian partners, and subsidies for research projects and other expenses, the officials said.

Defense Ministry Team Concludes Yulgok Probe
*SK0903082194 Seoul YONHAP in English 0631 GMT
9 Mar 94*

[Text] Seoul, March 9 (YONHAP)—The Defense Ministry's Yulgok special inspection team announced Wednesday that it has arrested three field-grade officers for their involvement in irregularities stemming from "the Yulgok project," a program to build up the nation's military power. The team also punished the chief of the Navy's Signal Corps and nine other officers for neglecting to supervise eight programs related to the Yulgok project.

The chief of the inspection team, Lt. Gen. Chang Pyong-yong, announced the results of the two-month probe into the Yulgok project at the Defense Ministry building.

Navy Cmdr. O Yun-hwan was arrested last week after it was disclosed that he had informed a trader of the expected bidding price for shooting control equipment on military ships, in order to negotiate a contract for a higher price than the expected bidding price, at the end of 1991.

Trader Chon Won-hong received more than 1,154,000 U.S. dollars, indeed higher than the expected bidding price, from the Defense Ministry for importing and providing the shooting control equipment, thus making an undue profit of more than 190,000 dollars.

Cmdr. O received roughly 80 million won (about 100,000 dollars) from Chon, who was also arrested early this month.

Cho Ki-hyon, head of Chong U Construction Co., Ltd., was arrested for bribing two officers to win the order and for using a particular construction method at military schools on the outskirts of Kwangju and Kimhae.

Army Col. Chong Sok-yong and Air Force Lt. Yim Myong-yong received 20 million won and 47 million won, respectively, from Cho. Both were arrested in January.

The inspection team also said that Daewoo Corp. drew up a behind-the-scenes contract with Lockheed Aircraft Ltd. of the United States for mediating the Navy's purchase of sea patrol planes (P-3C), besides the official contract.

Daewoo received an official commission of 3 billion won from Lockheed and asked for an extra 18.4 billion won under the secret contract, only to be rejected by Lockheed.

The inspection team reviewed the Air Force's F-4E Phantom fighter improvement project and decided to cancel it due to excessive expenditure and U.S. restrictions on transferring advanced technology to South Korea.

On the Korea Navy Tactical Data System (KNTDS) program, the inspection team said the Navy did not

judge U.S. development of the system precisely and paid the American company, Litton Ltd., 2.7 billion won unnecessarily for the system.

Chang said after the announcement that his team had carried out a strict investigation of former defense ministers including Kwon Yong-hae and Choe Sae-chang, but had found nothing untoward.

Meanwhile, Chang added that the inspection team will ask the Trade, Industry and Energy Ministry to cancel the registrations of the 11 businesses which are involved in the Yulgok irregularities including Koverseas Ltd.

The Yulgok special inspection team, comprised of the Armed Forces special inspection group, the Defense Security Command, joint investigation team and the ministry's law officers, finished a mission yesterday that began last Dec. 28.

Restructuring of Yulgok Project Detailed

*SK0903120494 Seoul CHUNGANG ILBO in Korean
9 Mar 94 p 1*

[Excerpt] The Defense Ministry decided on 9 March to cancel the plan to upgrade Phantom fighters, reorganize the Piho self-propelled gun project, and reexamine the trainer plane project.

Chang Pyong-yong, chief of the Defense Ministry's special inspection team, said this when he announced the results of its two-month investigation into the eight Yulgok projects.

Chief Chang said: "The 240 billion-won Phantom upgrade project was feasible when it was first mapped out in 1988. However, when we examined the project now, we found that we have no reason to go ahead with this project because it is not efficient and because we will not be able to obtain much aviation technology from it."

The Defense Ministry decided to reimburse the investment of Samsung Aviation in this project (four billion won).

The Piho project (one trillion 19.5 billion won) was designed to develop 30 mm antiair guns. The plan requires imports of major technologies and parts from foreign countries, and, as a result, the local content of the equipment will be a mere 44.4 percent. However, the ministry decided to reorganize this project, because its cancellation would result in a loss of the international credibility of the local corporations involved.

The ministry also decided to go ahead with some of the projects under investigation, including the marine patrol aircraft project (602.3 billion), the Sangmu project (560 billion won) [a project to relocate the Army Training and Doctrine Command in Kwangju], the destroyer project (110 billion won), and the Naval Tactical Data System project (15.6 billion). Nevertheless, the ministry decided to readjust the excessively appropriated expenses. [passage omitted]

Board of Audit Uncovers Cases of Budget Waste*SK0903123094 Seoul YONHAP in English 1142 GMT
9 Mar 94*

[Text] Seoul, Mar. 9 (YONHAP)—The Board of Audit and Inspection [BAI] said on Wednesday it had uncovered 47 cases of budgetary waste among public offices. The board demanded disciplinary actions or warning against the public officials involved. A board official said his board made a budgetary inspection of the Economic Planning Board and 59 other government offices for five days beginning last Dec. 20.

"The check showed a number of offices squandered unused budgets in the year-end period or used them for purposes other than they were intended for," he said. The Health and Social Affairs Ministry, for instance, obtained 174 million won for use in distoma programs reasoning the money was needed in treating distoma patients, the number of whom it estimated at 50,000 in 1993. The Ministry gave the estimate despite the fact that those stricken by distoma numbered no more than 7,900 to 14,000 a year in the 1990-92 period. The ministry used only 31 million won in distoma programs and diverted the remaining 143 million won to other purposes such as staffs' welfare programs.

In another incident, the Pusan police agency wasted 30 million won by purchasing additional color films although there was a sufficient stock of them, he said. The official said unused budgetary funds were believed to reach 1189.6 billion won in 1993.

Ministry To Abolish Mail Inspection Agency*SK0903025494 Seoul THE KOREA HERALD in
English 9 Mar 94 p 3*

[Text] The Communications Ministry will abolish a governmental agency for mail inspection and establish a new bureau to handle trade issues and help domestic firms expand overseas, a spokesman said yesterday. The abolishment of the Post Service Research Institute, which is contained in the ministry's reorganization plan, came amid renewed controversy over the role of the institute. The institute had run dozens of branch offices across the nation to conduct inspections of mail at the request of the intelligence agencies and police.

Opposition lawmakers had demanded that the institute be abolished, branding the agency a legacy from previous authoritarian governments. The ministry has argued that mail inspection is part of the government's counterintelligence efforts.

Government inspectors currently handle, 1,500 letters and other postal items a day, according to ministry figures. The total volume of post inspected decreased from 584,000 items in 1990 to 542,400 items in 1992.

The ministry said the mail inspection is still needed for security purposes, but that the operation will be handed over to major post offices. The ministry's reorganization

plan also featured a government effort to cope with the increasing trend in the international marketplace to tear down trade barriers between countries.

A new Information and Telecommunications Cooperation Bureau will be charged with gathering and analyzing overseas market information and helping domestic firms sell more goods and promote joint projects overseas, a spokesman said.

Former Labor Activist Appears To Divide DLP*SK0903095894 Seoul YONHAP in English 0835 GMT
9 Mar 94*

[Text] Seoul, March 9 (YONHAP)—Kim Mun-su, a former progressive labor activist, stands out as a definite anomaly in the ruling Democratic Liberal Party (DLP), which is still characterized by many as conservative. Kim, nevertheless, has recently joined the DLP and was named Tuesday as head of the party's Puchon-Sosa District chapter in Kyonggi Province, triggering a dispute among ranking members of the ruling party.

In the past Kim, 43, openly voiced skepticism about a capitalistic society and pursued socialist revolution, centered around workers. He was at the forefront of the radical labor movement and led the leftist struggle against past administrations headed by retired generals. His membership in the party, not to speak of his appointment as head of a DLP local chapter, naturally raised many an eyebrow. Conservative members of the DLP wonder how Kim will react to proposals on revising labor laws in the future and what stand he will take on the controversial National Security Law.

Reaction to Kim's appointment came immediately at Tuesday's party postholders meeting, where 10 local chapter heads were named. Rep. Yi Chi-ho of the party's Minjung faction said he did not understand how the party could accept a man who had served a two-and-a-half-year prison term for illegal labor activities.

Kim was sentenced to two and a half years in jail for organizing the Seoul Labor Movement Federation in 1985. It was the crowning achievement of a long career devoted to struggling against the government that began in the 1970s.

"If (Kim) could record the anti-establishment struggle as an achievement, what is going to happen to those who stood on the side of the establishment?" Yi asked Wednesday.

"If he has changed his political views, the party should have clarified them before accepting him into its ranks," Yi said.

Another senior DLP official said, "there are many party members who are wondering about the true colors of the party." Still another senior party man asked sarcastically: "Wouldn't the DLP appear to be a progressive party to the people, while the Democratic Party has become a conservative party?"

One party member who served as a ranking government official under President No Tae-u reacted more stoically. "Hasn't a new political force been forming in the party with new people being induced from the dissident camp?"

"It is now the time," he went on, "for either those new members or the party to clarify their ideological views."

The reform advocated by President Kim Yong-sam and anti-establishment activities pursued by members of the dissident camp are two different things and should be distinguished as such, said another party official. "Those people who welcome President Kim's reform would not necessarily accept Kim Mun-su," he said. But party leaders belonging to the Minju, or President Kim's, faction beg to differ. Rep. Kang Sam-chae said the ruling party should be able to embrace a wide spectrum of political views, including those in favor of conservatism as well as progressive forces. "Political ideologies change with the times," he said. Able politicians with dissident backgrounds and progressive tendencies could provide great impetus to the party's efforts to effect reform and change, Kang said, noting that Kim Mun-su has already publicly accepted President Kim's spirit of reform.

Other Minju faction members echoed Kang's sentiments. "With the degeneration of socialism and the end of the Cold War, the leftist progressive ideology has few followers even in activist groups," they said. Those who still insist on ideological confrontation do not even want to join the establishment, they said.

In any event, the last word, perhaps, belongs to Kim Mun-su himself. He has said he would actively participate in President Kim's reform campaign and help carry it out rather than watching from the outside and only offering criticism.

Korea Telecom To Sell 1.61 Million Shares

SK0903042794 Seoul THE KOREA HERALD in English 9 Mar 94 p 3

[Text] State-owned Korea Telecom yesterday announced it will sell 1.16 million shares of Korea Mobile Telecom (KMT) through opening bidding March 21 and 22, offering fresh incentives for unenthusiastic investors. Korea Telecom had failed in the previous two attempts to auction off the shares, about 21 percent of the cellular monopoly, retarding the government's privatization effort.

In this new round of bidding, a Korea Telecom spokesman said, institutional investors will be invited to put in tenders. The company also eliminated a regulation that banned buyers from selling the shares within the first year of purchase. The spokesman also said the company will lower the cutoff price for successful bidders. In previous biddings, KMT shares were sold for 335,000 won per share on average.

Sunkyoung Business Group virtually took over the cellular company by buying up a 23 percent holding in January when Korea Telecom invited tenders to auction off some 44 percent of KMT. Since then Korea Telecom has tried in vain to sell the remaining 21 percent stake. In the second round of bidding Feb. 14 and 15, only 2,380 shares were sold. In the third trial Feb. 28, there were no successful bidders.

Once a popular stock on the Seoul Stock Exchange, KMT shares dropped in price from a record high of 407,000 won per share early last month to 300,000 won earlier this month. With the rumors of new incentives, the price began picking up again and KMT shares were selling 316,000 won per share Monday.

Brunei, Malaysia & Singapore**Malaysia***** Anwar on Communal Unity, Western Education**

94SE0073C Kuala Lumpur BERITA HARIAN in Malay 2 Feb 94 p 2

[Excerpts] Kapar, 1 Feb—Malaysia's political system cannot be belittled. On the contrary, it has proved successful in creating public unity and national stability and in stimulating the economic growth rate, said Datuk Seri Anwar Ibrahim. The deputy prime minister said that the policies of National Front (BN) leaders in decision-making, cooperation, and creating unity among the people are the key to domestic and foreign investor confidence in investing in this country.

Mistakes in choosing leaders, however, would make communal unrest possible and would turn the country from development and the flow of global progress. "Who will come to invest (in this country) if the government is unstable? Therefore, this country's political system cannot be belittled. Cooperation among Malays, Chinese, and Indians at all levels will increase (investor) confidence, because this is not only a success story, but a unique success story. It is different and unique because not all countries with citizens of different religions can record such gratifying success. Therefore, we must not belittle our political system and our (the government's) policy in making decisions," he said today as he inaugurated the Abdul Samad National School at Sementa during his one-day visit to Selangor.

Anwar first listened to a briefing and toured the West Port Project at Pulau Indah, Klang Port. Selangor Chief Minister Tan Sri Muhammad Taib accompanied him. Anwar said he announced an additional allocation of 2 billion ringgit to finance the supervision of government construction because the national economy is strong and makes investors confident in increasing their investments. [passage omitted]

"Our schools should be able to create harmony among students from various communal groups. Teachers must be alert to efforts to foster a spirit of cooperation, and this unity must begin at the school level," he said. Anwar called attention to the fact that although the Western educational system is supported by quality teaching personnel and facilities, it fails to produce students with morality. "The Western educational system is able only to produce people like cattle. They have no realization of learning or morality, and they do not want to create a spirit of unity or build up their nations or states.

"Our educational philosophy, however, stresses the desire to improve skills and capabilities in all fields, besides creating high character," he said. Touching on the Malay language, Anwar repeated the assurance that Malay will remain the official and teaching language. "We want Malay to be an effective teaching language,

but we want our children to master English, because the Malaysia of today is not the Malaysia of 20 years ago. We are now considered a model country for economic development. We are now in a race with neighboring countries and are cooperating with ASEAN member states, the Group of 15, East Asian nations, and Islamic countries. This cooperation requires a good communications tool, which is the English language," he said.

Editorial Criticizes British Press 'Calumny'

BK0803144494 Kuala Lumpur NEW STRAITS TIMES in English 7 Mar 94 p 12

[Editorial: "The bad business of calumny"]

[Excerpts] Ask any British businessman acquainted with Malaysia about the outturn of events since February 20 and he begins to groan like any other victim of Fleet Street muck-churning. He laments the abject decline of the British media, registers injury to his own interests, sympathy for the innocent bystander—Malaysia, and the sinking feeling that a lot of hard work has been blown away by the grubby scandal mongers of the British press. It is the conduct and content of the painstaking effort at repairing economic relations with Malaysia that has been impugned and now stands poised to come to nought. The British businessman knows this better than any other and has the biggest cause for regret.

Right through the 1980s and particularly following the Buy British Last policy, Prime Minister Margaret Thatcher headed a diplomatic onslaught at the highest levels—including frequent meetings with Datuk Sri Dr. Mahathir Mohamed—to rebuild and restore Britain's commercial esteem in this country. She had a big job in her hands—not only were British interests in the rear of a superior queue of foreign investment, they were also, as part of Britain's waning industrial efficiency overall, severely handicapped in their competitive ability. She had also been rather desperate—her country was in recession and unemployment was growing. It was then that, while chasing a considerable defence deal with Kuala Lumpur aid and arms sales "became incorrectly entangled for a few months in 1988".

This lapse, according to British Foreign Secretary Douglas Hurd testifying in parliament last Wednesday, was hastily corrected afterwards, and the whole package eventually went through. Malaysia, as fastidious customer, made its choice after intense lobbying and considerable "sweetening", including tie-up's as well as cheap credits and aid, swung its appraisal in favour of British products. Such government-to-government deal-making goes on worldwide and, in democratic countries, is accountable in parliament. At no time were individual Malaysian decisionmakers greased over the composition of the eventual contracts and supply package—the left to the wisdom of the British Government, and ... enthusiasm to help its own industries.

Aid-donating countries, including Britain, have been in the habit of "tying" aid-for-trade deals for years, often

diluting the benefit of the aid to the recipient country. That Whitehall had fixed things in order to put together a winnable tender bid ought not to have been so grudgingly divulged upon inquiry as to whet the appetite of a vulturous press. [passage omitted] Malaysia wishes to protect its integrity against such defamations of a blimpish, contemptuous foreign press as well as against a government which curiously chooses to remain apathetic to the dignity of nation it so avidly desires to deal with. The Malaysian Government cannot pretend business-as-usual with regard to a fellow government which is almost certain to leave every business deal prone to calumny at some time to come.

Singapore

Ministry Rejects U.S. Plea on Caning Verdict

BK0803150794 Singapore Singapore Broadcasting Corporation in English 1400 GMT 8 Mar 94

[Text] The Foreign Ministry says the law in Singapore must take its course and the ministry cannot be expected to intervene in the due process of the law. This is the ministry's response to the U.S. Embassy here over its concern on the caning sentence passed by the court on an American teenager, Michael Fay. The ministry noted that Fay's sentencing was the outcome of a fair and transparent legal process. Fay was given every opportunity to defend himself with representation and counsel of his choice. It stressed that the Singapore judicial process cannot apply different standards to persons subjected to the same law. Therefore, it is not correct for the U.S. to say based on the facts on the treatment of other similar cases, this punishment is extreme.

The ministry pointed out that Fay is not the first teenaged person nor foreigner to have received the sentence of caning under the Vandalism Act. Twelve Singaporeans and two foreigners, aged 18 to 21, have received caning sentences for vandalism since 1989. The ministry cited some previous vandalism cases. In 1990, a 20-year-old Singaporean was sentenced to a month jail and three strokes for damaging public property. Last year, there was a similar case where a 19-year-old Singaporean was sentenced to three months jail and three strokes of a cane. The ministry said in contrast to these cases, Fay admitted in all to 18 counts of vandalism and six counts of misdeeds. These facts, among others, show that the court sentence meted out to Fay is neither extreme nor unprecedented. Fay, who is 18, was sentenced last Thursday to four months in prison and six strokes of a cane for vandalism. Fay is appealing against the sentence and he is currently on a [Singapore] \$75,000 bail.

Editorial Urges Businessmen To Invest in SRV

BK0803021994 Singapore THE STRAITS TIMES in English 7 Mar 94 p 26

[Editorial: "Get Out or Be Left Out"]

[Excerpt] On recent visits to India and China, and again in Vietnam last week, Prime Minister Goh Chok Tong has been consistent about one theme: Singaporean businessmen must get out there—quick. Vietnam, he reckoned, could become a tiger cub in 10 to 15 years although, at its current stage of growth, he put it at 30 to 40 years behind Singapore. In that growth curve Vietnam has to traverse, there will be opportunities aplenty for builders, manufacturers, consultants and lawyers, suppliers of consumer goods and services. What is being asked of our businessmen in going to Vietnam is that they be trail-blazers. After a long period of French occupation which left little that was serviceable, and another 20 years fighting the Americans, Vietnam is in a rage to build a polity from ground up. It takes nerve and acumen for a Singaporean businessman to survey the ruins and say: "I smell money here." Are our risk takers up to it? By comparison, India is the easier to penetrate although its immediate profit potential may look less appealing. Its legal framework, financial system, property and repatriation rights are fairly well encoded. China, having a lead time of a dozen years over India in economic liberalisation, has advanced to the stage where maintaining a stable currency and keeping growth from over-heating now form the basis for orderly development.

Vietnam is different, but this is no reason for Singaporean businessmen to hesitate. If its bureaucrats trained in the communist tradition have little understanding of the forces that shape a market economy, they are prepared to adapt. As a sign of resolve, common folk and civil servants are studying English with a vengeance to gain access to the commercial highway. If its legal framework is wobbly and the banking system basic, it should spell opportunity, not a hindrance, for brain-service suppliers such as Singapore. Mr. Goh has in fact signposted the areas—apart from property investments where Singaporean money is prominent—in which the private and state sectors should pay close attention to. These include banking, telecommunications and land transport. Then there is infrastructural work—port development, public housing, industrial estates—where, it should be conceded, participation may be better handled by government-linked companies. No less a Vietnamese personage than Mr. Do Muoi, the party chief, has asked Singapore to help his country industrialise. Such invitations do not come often. Singaporeans have committed US\$390 million in 52 projects in Vietnam since the investment ban was lifted in November 1991. But so have 500 companies world-wide signed on for US\$7.5 billion worth of investments during that period, and a flood can now be expected as the last of the Americans' trade restrictions on Vietnam have been lifted.

It was left to Trade and Industry Minister Yeo Cheow Tong, who was in Mr. Goh's party, to give the reluctant the most telling prod. In persuading companies to expand in the region or be left behind, he spoke of competition growing more intense a few years from now

and how opportunities would be harder to find. The Government will smooth the path with appropriate incentives and concessions. The need for an external economy has been accepted by investors and workers alike. [passage omitted]

Editorial Urges SRV To Accelerate Market Reform

BK0803145094 Singapore BUSINESS TIMES in English 8 Mar 94 p 14

[Editorial: "Vietnam's New Challenge"]

[Text] Winding up his five-day visit to Vietnam on Sunday, Prime Minister Goh Chok Tong, the first Singaporean prime minister to visit the country, warned that while Vietnamese leaders were committed to market reforms, the key question was whether they would move cautiously or speed up the process. It was a timely observation. Vietnam is among the emerging economies where Singapore companies and individuals have moved in aggressively to take advantage of business opportunities. But if long-term investor interest is to continue, Vietnam must speed up the pace of its market reform. With the U.S. trade embargo now lifted, essentially this means putting in place the legal and financial systems that will promote investment. The stakes are high. The investment pool overseas—Vietnamese firms and individuals—number over two million, concentrated in France, Australia, and the United States. They are keen to invest in their homeland but only as market opportunities broaden.

This essentially means reform of Vietnam's institutional framework. Priority must be given to its moribund banking industry, which needs to be automated and computerised. Vietnamese local banks are woefully undercapitalised, with capital adequacy of just 2 percent of their assets. Foreign bankers, wary about operating in Vietnam's banking environment, still regard it as a risky market. One of the biggest threats to the lending operation of foreign banks is that they are virtually unprotected and vulnerable in the absence of a mortgage law. Local banks, however, are able to take out mortgages against borrowers' assets unlike the foreign banks. A mortgage law to provide equal protection must be enacted soon.

This is not to say that the reform process has been at a standstill. The passing of the bankruptcy law is certainly a welcome first step. Foreign bankers have always harboured the fear that if a company folded, the banks would have no means to recover loans. But the general uncertainty has led foreign banks to confine themselves to the safer business of trade financing and offshore loans to Vietnamese projects, leaving a vacuum for financing of vital domestic infrastructure projects. Above all, Vietnam should also open the market to more foreign banks. It can only benefit from such a move. The domestic banks will get an injection of much-needed hard currency when they team up with foreign banks.

The foreign shareholders will also inject sophisticated banking techniques and entrepreneurship. As it stands, foreign banks are not restricted from setting up wholly-owned branches—there are currently nine foreign bank branches in the country. But Vietnam's State Bank, which is the central bank, is too slow in issuing licences. As a result, only one licence was issued for the whole of last year, and that was to Standard Chartered. The pace of change must quicken. Vietnam, after decades of war, must maintain the momentum of regulatory reform if it is to achieve its objective of becoming the new Asian tiger early in the next century.

Cambodia

King Sihanouk Appeals for Immediate Cease-Fire

Government Version of Appeal

BK0903062694 Phnom Penh National Radio of Cambodia Network in Cambodian 0400 GMT 9 Mar 94

[“Statement signed on 7 March by His Majesty Norodom Sihanouk Varaman, king of the Kingdom of Cambodia, concerning the great danger from war between the Khmer Royal Armed Forces, KRAF, and the forces of Democratic Kampuchea, DK”—read by announcer]

[Text] Most beloved compatriots: The war between the KRAF and the DK forces, or Khmer Rouge, is now raging. It has brought no good nor benefit to our motherland. On the contrary, this war has brought only destruction, losses, suffering, pain, shame, and desperation for Cambodia, for the nation, and especially for its innocent poor people.

In my capacity as the father of the nation and the king father of the entire Cambodian people, whether they are men or women, belonging to whichever political parties and living wherever in the country, I appeal on the one hand to the Royal Government [RCG] and the KRAF and on the other to the party of Democratic Kampuchea [PDK] and the National Army of Democratic Kampuchea [NADK] to immediately agree to a general cease-fire on all battlefields throughout Cambodia.

I appeal to all of you, my children, to accept a total and unconditional reconciliation and concord. I appeal to all of you to join hands in building peace and to coexist peacefully now, in the future, and forever. Peace in Cambodia is the life, happiness, prosperity, and glory of our nation and motherland. War is death for Cambodia and our race. All problems remaining between the RCG and the PDK must be settled through only one means, a peaceful means. I appeal to the RCG and the PDK to give our motherland total peace, because only in this total peace can our motherland engage in the reconstruction process for the sake of our people and thereby enable our people to live happily in dignity and with freedom, bereft of all suffering.

I appeal to the NADK and the PDK to restore and rebuild all bridges, roads, and trails that this army and party have damaged and destroyed, and to help clear all mines from places that they have been laid.

I appeal to the KRAF to uphold the good traditions of the KRAF of the Sangkum Reas Niyum's era by, starting from now, paying attention to helping our poor people improve their living conditions. The KRAF must dedicate themselves to peaceful tasks for national reconstruction as in the time of Sangkum Reas Niyum.

I ask all of you, my beloved children and compatriots, to accept the expressions of my warmest and deepest love for you and may you all enjoy the four blessings of Lord Buddha, namely: long life, social prestige, happiness, and good health.

P.S. I would like to make it clear that I will not tolerate any parity between the RCG and the PDK, because DK is only a party whereas the RCG is a national government of the Kingdom of Cambodia. One day, through peaceful negotiations, the PDK will have to return to the Kingdom of Cambodia all the zones that they are controlling, including Pailin and the Preah Vihear temple, because the Kingdom of Cambodia has only one government, that is, the RCG, and only one army, that is, the KRAF.

[Dated] Beijing, 7 March 1994
[Signed] Norodom Sihanouk

Radio Carries DK Version

BK0903043994 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 8 Mar 94

[Text] The following is an excerpt of His Majesty King Norodom Sihanouk's statement [date not given] concerning the big danger arising from the war between the Khmer Royal Armed Forces [KRAF] and the forces of Democratic Kampuchea [DK]:

The war between the KRAF and the DK forces called the Khmer Rouge has, from the beginning to the present day, brought nothing good nor any profit to our nation and motherland. On the contrary, it has brought about only destruction, rift, suffering, hardship, misery, disgrace, and despair to our Cambodia, our nation, and especially our poor and innocent people.

In my capacity as the father of the nation and the Prince Father of all Cambodians, male and female alike and from all political parties and factions, I appeal to the Royal Government on the one side and the PDK [Party of Democratic Kampuchea] and DK national forces on the other to immediately and urgently cease fire on all battlefields in the entire Cambodia. I appeal to all of you to agree to reconcile fully without any preconditions. I appeal to all children to build peace and live peacefully together eternally now and in the future.

Peace in Cambodia is the life, the happiness, the prosperity, and the glory of our nation and motherland. War is the death of our Cambodia and our race. The one and only way to settle all the problems remaining between the Royal Government and the PDK is through peaceful means. I appeal to the Royal Government and the PDK to please bring full peace to our motherland, because only with full peace will our motherland have the capability (?to carry out reconstruction for) our people; and only when this is achieved can our people live in peace, happily with honor and freedom, and relieved from their misery and hardship.

[Dated] The General Hospital in Beijing, 8 March 1994

Khieu Samphan Sends Telegram to King Sihanouk

BK0903043194 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 8 Mar 94

[Telegram from Khieu Samphan to King Norodom Sihanouk voicing support for the royal statement dated 7 March—read by announcer]

[Text] To His Majesty Norodom Sihanouk Varaman, king of the Kingdom of Cambodia.

Your Majesty: I and all members of the Party of Democratic Kampuchea [PDK] have received with great pleasure your majesty's statement dated 7 March 1994.

The PDK has the great honor and pleasure to voice its full support for the content of the statement. The PDK is convinced that our entire nation and people will certainly march behind Your Majesty so that you will be able to fulfill your five-point guideline. Please forgive any inappropriateness. [Dated] 8 March 1994 [Signed] Khieu Samphan, head of the PDK

King Responds to Telegram

BK0903051294 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 8 Mar 94

["Message from His Majesty King Norodom Sihanouk Varaman of the Kingdom of Cambodia in reply to the 5 March telegram of His Excellency Khieu Samphan, head of the party of Democratic Kampuchea"; dated 8 March—read by announcer]

[Text] His Majesty Norodom Sihanouk Varaman, king of the Kingdom of Cambodia, graciously sent a message on 8 March in reply to the telegram dated 5 March from His Excellency [H.E.] Khieu Samphan, head of the party of Democratic Kampuchea [PDK]. The text of the royal message is as follows:

To H.E. Khieu Samphan, head of the PDK, through the Royal Office in Phnom Penh.

Esteemed and beloved Excellency: I have already received the statement you made on behalf of the PDK

concerning the current situation in our Cambodian motherland and the attitude of your excellency's party on this matter.

With many thanks to you and your party for the noble and lofty sentiment and confidence toward myself, I would like you and your party to accept in return my best wishes with the fervent hope that peace will be restored unfailingly on the Cambodian land and national reconciliation and concord among all our compatriots of all tendencies and political beliefs will finally be achieved according to our wishes. Otherwise, it will certainly be difficult for our motherland to avoid a danger that could affect even its survival.

Please, your excellency and the PDK, accept the profoundest and warmest regards from myself and the royal consort.

[Signed] Norodom Sihanouk

Minister Rejects Criticism of Accounting System

BK0803135794 Phnom Penh CAMBODIA TIMES in English 6-12 Mar 94 pp 16, 15

[Excerpts] PHNOM PENH—The Minister of Finance had dismissed allegations that it would be difficult to adopt the French accounting system. Sam Rangsi, in an interview with the CAMBODIA TIMES, said: "Contrary to common belief, it was not I who had initiated and implemented this system. It was already in place during the rule of the former State of Cambodia government. During that period, French experts had been based with the then government for almost three years to help them prepare the fundamentals of the French accounting system. It is not an entirely new system as many believe. The French accounting system to be implemented here is based on that devised in 1982, which is in conformity with many European accounting systems." [passage omitted]

"The 1982 version is in uniformity with the accounting systems practised in Britain, Germany and Holland. It is just the presentation styles that are different. For example, in the British system, the cash balance is shown at the top of the accounting figures, while the fixed assets are at the bottom. In the French system, it is just the reverse. So there is no great difficulty in adapting or adopting this system," he pointed out.

Several businessmen had criticised the adoption of the French accounting system as a disincentive to much needed foreign investment and an unnecessary administrative burden for the local companies. [passage omitted] The main difference between the French and Anglo-International system is the way assets and liabilities are classified and how depreciation is treated.

Government Praised for Lifting Security Charge

BK0803140194 Phnom Penh CAMBODIA TIMES in English 6-12 Mar 94 p 2

[Editorial: "No Charge"]

[Excerpts] The Royal Government's decision to remove the security charge levied on local and foreign companies for the establishment of trade companies and foreign representative offices here, is a very welcome move. This will give Cambodia an edge in boosting foreign investments, especially in view of the fact that the United States embargo on Vietnam has finally been lifted.

No doubt there will be an expected clamour to invest in the Indochina region, but the country with the most pull will be the one which provides the best economic returns for the amount invested. And Cambodia cannot afford to be seen as lackadaisical about foreign investment, as the country needs foreign capital to rebuild the country.

It would be a pity to give up on this opportunity to attract investment, merely because the government did not act fast enough. Prior to this move, trading companies and foreign representative offices had to deposit U.S. \$3,000 with the National Bank as caution money. [passage omitted] Cambodia has a lot to offer investors but more steps need to be taken to make life easier for them. If this means cutting down on a lot of red tape, then so be it. [passage omitted]

Minister Vows To Chase Out 'Bad' Investors

BK0803130394 Phnom Penh CAMBODIA TIMES in English 6-12 Mar 94 pp 1, 2

[Excerpts] PHNOM PENH—The Royal Government has managed to attract between U.S. \$200 million and U.S. \$300 million in investments here since the formation of the government and the liberalisation of this nation. However, most of these investments were not in the right category as it did not benefit this nation much, in terms of technology transfer or resource utilisation. New investments will be diverted to the right sector to enable mutual benefits.

Minister of Finance, Sam Rangsi, told the CAMBODIA TIMES that the country has done remarkably well for a young and infant liberal democracy. "Vietnam, with a bigger population and resource base, has reportedly attracted U.S. \$1 billion in foreign investments. However, many of them are cautious as it is not a gold mine as many believe. The lifting of the trade embargo on Vietnam by the United States will also not have any major material effect on the flow of foreign investment here."

"Our sustained efforts to show consistency in immigration and investment policy and the promotion of transparency in laws, regulations and procedures, will see the influx of more investors here in the near future. Within the next few weeks, we will see major multi-national companies, with a strong reputation, resource base and

expertise, signing business agreements as well as announcing business ventures and investments here."

"These are the type of investors we need. We do not need bad investors who are here just to reap the country of its resources in limited industries such as logging, timber, gems and unhealthy sectors such as laundering of money," Rangsi said. "We will chase out the bad investors who do not represent the true business community here and replace them with new, serious and big companies with reputable international standings. These will be seen very soon."

"Priority, said the Finance Minister, would be given to the manufacturing sector, tourism, transportation and infrastructural sectors." [passage omitted]

"Other measures to encourage investors are the writings of the new investment law which will be submitted at the ICORC [International Conference on the Reconstruction of Cambodia] meeting soon and which has been in principle approved by the Royal Government."

"We are also looking into the formation of new laws pertaining to investments. These include company laws, bankruptcy laws and land laws. At the moment there is no land law and this has been a hindrance to investment. This is because many plots of land have more than one land title as a result of irregularities and inadequacies at the land department. This has to be resolved as an investor would not want to establish a manufacturing plant on a plot of land which is in dispute in the future."

Indonesia

Alatas Opposes U.S. Blockade Against Cuba

BK0903130594 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 9 Mar 94

[Text] The Indonesian Government cannot accept the U.S. blockade against Cuba because every country has the right to adopt its own political and economic system without the interference of other countries. Speaking to reporters after he met with Cuban Foreign Minister Roberto Robaina in Jakarta today, Foreign Minister Ali Alatas said Indonesia has firmly adopted such a stand as the basis of its international relations, adding that Indonesia also believes that a country should not impose its will on another country, especially by imposing a blockade.

Speaking to reporters, Cuban Foreign Minister Robaina said his visit to Indonesia is part of his tour of seven Asian countries in his country's efforts to oppose the economic blockade imposed by the United States for the last 30 years.

Importance of Russian Role in Bosnia Viewed

BK0903134494 Jakarta REPUBLIKA in Indonesian 3 Mar 94 p 6

[Editorial: "Russia and the Bosnian Conflict"]

[Excerpts] There is a new development in the Bosnian conflict. Russia is now behind the Serbs and is trying to do its best to defend its traditional ally. In fact, this trend was already visible after NATO threatened to bomb the Serbs. Russia strongly opposed the threat and insisted that the settlement of the Bosnian conflict be referred to the UN Security Council. If the proposal is approved, Russia would certainly use its veto power to defend the Serbs. [passage omitted]

There are several reasons why Russia, which earlier supported the West, is now defending the Serbs. First, the Serbs are a traditional ally of Russia. Although Russia is no longer the godfather [preceding word in English] of its former satellite nations, it is still obligated to defend the Serbs, who used to be part of its hegemony.

Second, Russia appears to have been angry that it has totally been ignored by the West in the Bosnian conflict. The NATO ultimatum, for example, was obviously issued without taking Russia into account. Russian generals feel that Russia, a former superpower and former leader of the defunct Warsaw Pact, has been ignored by NATO. Accordingly, they have tried from the very beginning to obstruct NATO actions.

Third, in the context of international politics, Russia wants to "reemerge" as a superpower by showing its opposition to the Western scenario in the Balkans. The fact that its economy has collapsed and domestic politics is in disarray is one thing, while involvement in an international conflict is another. In any case, Russia still has military strength that needs to be reckoned with.

The Serbs are, of course, exploiting such a situation. They believe that the West—half-heartedly and irreversibly dragged into the conflict—will think twice before crushing them if Russia is involved on their side.

Of course, Russia will not intervene hastily because it has to be cautious toward the United States and Europe, whose assistance is by all means needed to support the reforms in Russia. Regardless of this, the Serbian policy of using Russia as a "shield," may, however, complicate the situation in the Balkans.

Even NATO, the United Nations, and the United States continue to have different views about the best way to settle the conflict. NATO's "unanimous" decision to give the Serbs the ultimatum was in fact not made easily because each NATO member feels that it has a better way to settle the conflict. Thus, imagine what will happen if the Russian factor is actually played in the delicate Bosnian conflict! Obviously, such a situation will benefit the Serbs the most.

Editorial Discusses Solution to Bosnia Conflict*BK0903081194 Jakarta KOMPAS in Indonesian
18 Feb 94 p 4*

[Editorial: "We Should Consider and Champion the Fate of Bosnians"]

[Excerpts] What was the reason behind the global community's previous assistance to Africa when it encountered famine? It was because the mass media, particularly worldwide television coverage, carried daily reports and screened footage of Africans—infants, children, and old people—reduced to skeletal forms and left hopeless without any future. [passage omitted]

Yet another episode also has been witnessed through the mass media to a global audience over the last 22 months, particularly via television: scenes of the ethnic war in Bosnia linked to religion and which pose as a grim reminder with regard to the future of mankind.

No accomplishment is derived from the ongoing trend of conflicts and tragedies. Every time one forgets such incidents, he or she is again jolted by what is aired over the television. The situation in Bosnia indicates a totally different and horrific kind of tragedy. Every time a tragic incident occurs, it proves to be more terrifying than the previous ones occurring several weeks before. [passage omitted]

Take for example the latest incidents. The latest brutality occurred after the NATO alliance announced its ultimatum that it would bomb Serbian mortar positions if they did not withdraw their troops by the 20 February deadline.

It comes as no surprise that there is a discrepancy. The victims of brutality have, in fact, called for effective action. On the one hand, there are brutalities that have claimed lives. On the other, we see a failure to take effective decisions. Indecision has in turn brought about views and evaluations about the existence of double standards as well as ethnic and religious discrimination.

The problem is not as simple as we might think. We have constantly heard about hilly regions, the responsibility of the democratic governments, and national interests. Viewing the complexity of the problem and its considerations, we will definitely not be able to get rid of the views that the practise of double standards was employed by the Western nations in facing the war in the former Yugoslavia. At least, the Western nations do not act as effectively as when facing other issues, for example Iraq. Geographically, Bosnia is distant but psychologically nearer to several developing nations, including Indonesia. Our society has witnessed the brutality through mass media on numerous occasions.

Our society is also affected by the discrepancy, that is the discrepancy concerning the factual reality with regard to the brutality and the ambiguous and indecisive attitude which all point to the practice of double standards.

We are disappointed and frustrated from humanitarian and religious angles and we are making a contribution in the form of a concrete action. This gave rise to the recent registration of volunteers to fight in Bosnia. Motivation, enthusiasm, and the background should be given prior consideration before any further action is undertaken.

At least a concrete solidarity statement should be drawn up to further consolidate and mobilize public opinion and global solidarity for the Bosnians' fate and a strong call toward ending the Bosnian conflict in a just procedure. Indonesia's permanent representative reported our concerns to the world body while waiting for the order for NATO air strikes from UN headquarters in New York. As the chairman of the Nonaligned Movement, Indonesia is taking an initiative on the possibility of holding a conference on the issue of Bosnia. The move by the Indonesian representative was a follow-up to the views presented by President Suharto during his recent meeting with Bosnian President Alija Izetbegovic in Jakarta.

Diplomatic measures will be time-consuming. Such measures are considered important because they form a realization of political attitudes and welfare. The mobilization of public opinion and effective solidarity is imperative in the effort toward seeking a just settlement to the Bosnian problem and the strife against ethnic-cleansing—whether such an action has to be undertaken through diplomatic or military endeavors. Therefore, it is appropriate for Indonesia, as the leader of the Non-aligned Movement, to utilize such a platform in its effort to end the Bosnian conflict. Such efforts and measures are imperative. The Bosnian problem can never be solved even with the Serbian withdrawal from their mortar bases.

Suharto Chairs Cabinet's Economic Meeting 2 Mar*BK0803122694 Jakarta THE INDONESIA TIMES in English 3 Mar 94 p 1*

[Excerpts] President Suharto, who led a regular cabinet meeting on Wednesday, reminded government officials to avoid the increase of prices of basic commodities, particularly ahead of the Moslem Id-al Fitr holidays. "Market operations must be carried out on the right time to maintain price stability of basic commodities," Suharto was quoted by Information Minister Harmoko as telling the cabinet meeting.

The meeting has also reviewed the monetary situation. Harmoko said that the inflation rate in February reached 1.76 percent while in January was 1.25 percent. During the first two-months of this year, the inflation rate reached 3.01 percent and 6.34 percent from April 1993 to February 1994. Expressing his concern over the high inflation rate in February, the president urged a balanced supply of basic commodities like rice, sugar, and meat on eve of the Id-al Fitr holidays.

The meeting also discussed foreign trade balance. The total value of exports in December 1993 declined by 4.61 percent compared with that of the same month in 1992, while imports in January 1994 increased by 3.23 percent compared with that of the same period of last year. However, surplus of trade balance in December 1993 was over U.S. \$548 million. From January to December 1993, the surplus of trade balance reached \$8.662 billion. [passage omitted]

The president has also given specification on the solution of outstanding and bad credits. The president has ordered a comprehensive probe into the cases. Harmoko said that the president ordered the authorities to take tough action against those found involved in Bapindo's [Indonesian Development Bank's] loan scandal amounting to over Rp. [Rupiah] 1.3 trillion. The president reminded the national press not to blow-up stories about the outstanding credit. "The press have the national responsibility because such reports would bring negative impacts on banking circle and national economy," Suharto was quoted as saying.

Difficulties in Winning Over Timorese Viewed

BK0803155894 Singapore BUSINESS TIMES in English 8 Mar 94 p 6

[By Maggie Ford in Jakarta]

[Excerpts] On the East Timor seashore a few kilometres from the capital Dili, lies a small new village. Built by the Indonesian Army, it is home to 550 people who formerly carved out a subsistence life in the mountains. The village is part of the army's attempts to win the hearts and minds of the East Timorese. It features electricity, safe drinking water, a health centre, school, church, and satellite television, foreign and local. But despite such efforts to upgrade their living conditions, the East Timorese remain far from happy about Indonesian rule.

"It will take a generation to integrate with Indonesia," says Marcus Wanandi, an Indonesian Jesuit priest who heads East Timor's largest school and the scion of a well-known Sumatera family.

Indonesia's development spending in the province since it took over in 1975 from Portugal has borne some fruit; literacy has doubled from only 22 percent in 1980 to 44 percent in 1990. From a low of 61 schools under Portuguese rule, there are now more than 1,000. But 45 percent of the workforce are unemployed or underemployed and skilled people must migrate to find jobs. Much-needed investment from the rest of Indonesia is stymied by the perceived security problem and from outside because of East Timor's disputed status. The United Nations does not recognise Indonesia's takeover of the territory in 1975 after Portugal, the colonial power, left in a hurry.

An even more fundamental problem blocking both development and successful integration into Indonesia is what the East Timorese see as Indonesia's failure to

understand East Timor's culture. "Life for us did not begin in 1975," said Florentini Sarmento, head of Dili's largest grassroots aid organisation. "We have a different identity and a long history. East Timorese feel deeply misunderstood and mistreated by Indonesia."

Bridging the cultural gap is not made any easier by the loss of virtually the entire Timorese educated elite, now resident overseas, mainly in Portugal and Australia. Senior Indonesians from other areas may find it difficult to believe that the poor who remain behind are anything more than an extremely backward native ethnic group similar to the many others found in the archipelago. [passage omitted]

There are now hints, however, that Indonesia is coming to a realisation after almost 20 years that the approach used so far in trying to integrate East Timor is not very successful. At the same time, some formerly hardline Timorese are also willing to explore ways of moving forward. The recent discovery of oil offshore in the Timor Gap area could spur efforts to improve the political climate as it holds out the promise of higher economic growth. [passage omitted] But the development of East Timor will need to take into account cultural differences far more than is normal in Indonesia if it is to be successful. These need not, however, be a barrier. Indeed, to a foreign tourist, Timor's cultural differences would be seen as an asset, not a burden.

If the East Timorese were treated as a potential asset and as partners in their own development, it is far more likely that they would appreciate Indonesia's efforts on their behalf. If not, their cultural pride could create major problems for Indonesia for some time to come.

Article on Rise of Sukarno, Suharto Daughters

BK0803143194 Singapore BUSINESS TIMES in English 8 Mar 94 p 6

[By Maggie Ford in Jakarta]

[Excerpts] When Megawati Sukarno, daughter of Indonesia's first president and now leader of the Indonesia Democratic Party, arrived in the troubled Indonesian province of East Timor last month, she was met with enthusiasm.

The visit came as part of a nationwide tour to introduce the party's new leader not only to the public, but also to the military commanders who hold such sway in Indonesia's underdeveloped eastern regions.

It may also have given the East Timorese people hope that their problems with the Indonesian Government will be better understood. But if Ms. Sukarno's tour does not produce results, East Timor can also look for help from another female source—Siti Hardiyanti Rukmana, daughter of Indonesia's current president. [passage omitted]

The first sign that some thing new was in prospect came late last year when Ms. Sukarno took afternoon tea at Mrs. Rukmana's home. The two ladies, while not estranged, had never before been particularly friendly. But a few days before the meeting, Mrs. Rukmana had paid a personal visit to the grave of Ms Sukarno's father, former president Sukarno, in Blitar, East Java.

That visit made it perfectly clear to the political pundits that Mrs. Rukmana's father, President Suharto, who took over from the late Mr. Sukarno, had no objection to the newly announced political plans of his predecessor's daughter. A few days later, Ms. Sukarno was installed as elected leader of the Indonesia Democratic Party (PDI), the small opposition party which had been riven by factionalism, rivalry, and government interference for over a year.

Ms. Sukarno's rise to the chairmanship signals a potential shift in Indonesian politics where power has been concentrated in the hands of the Army-backed ruling group Golkar [Functional Group], which is also supported by the bureaucracy.

It followed the establishment for the first time of a civilian leadership in Golkar. At its party conference in October, Minister of Information Harmoko took over what had previously been a military post. Ms. Sukarno and Mr. Harmoko have already clashed, with a preliminary skirmish over Golkar's "single majority," under which the ruling group dominates all decisionmaking and excludes others from power in the country. Ms. Sukarno called for policies which took all public views into account, while Mr. Harmoko declared that Golkar's large election victories gave it the right to exercise power as the people's choice.

Meanwhile, the other presidential daughter was displaying her own intentions to become a political player. Mrs. Rukmana had already joined the leadership of Golkar last October when she was chosen as a vice chairman of the executive board. Her involvement in East Timor diplomacy started late last year when she took part in a secret meeting in London to discuss ways to seek recognition and reconciliation with Portugal, the former colonial power. Mrs. Rukmana has now been installed as chairman of the Indonesia-Portugal Friendship Society following the visit to Indonesia of retired Portuguese General Carlos Galvao de Melo, who will be her cochairman in Portugal. She will return the visit shortly.

Nor has Mrs. Rukmana restricted her activities to trying to help resolve the East Timor problem. Best known as a businesswoman in the past, her highway construction company is involved in major projects in Indonesia and Malaysia. A subsidiary has been set up to manage trade and manufacturing of Malaysian cars and Indonesian aircraft. [passage omitted]

Political analysts believe it is too early to say precisely what Mrs. Rukmana's long-range plans may be. They are also unsure of the effect of the rise to prominence of two

women in a country which has little history of women in public office. But they believe that it is hardly surprising given the numerous examples of female leaders in other Asian and Muslim countries. Especially where a woman politician has a political family background, sex need be no bar to successful leadership they say. Ms. Sukarno's popularity in her own party and with the general public is not in doubt although she is politically untested. [passage omitted]

Philippines

'Concern' Over U.S. Revival of Super 301

BK0903021694 Quezon City MALAYA in English
7 Mar 94 p 9

[Excerpts] Trade Assistant Secretary Edsel T. Custodio said that the Philippines should be concerned over the United States' move in reviving a provision of the U.S. law known as Super 301 which if not settled could erupt into a trade war. Custodio said the "U.S. move is a discordant note of the emphasis in the conclusion of the Uruguay Round (UR) negotiation." [passage omitted]

The United States will come out with a target list of countries which it deemed to have erected trade barriers against the United States.

Apparently, the Clinton administration's decision to revive the Super 301 came after its failure to settle trade disputes with Japan, where the U.S. has a \$59.3-billion trade imbalance.

Although the issue is bilateral in nature, Custodio said the situation may reach to a point where "every man has to fend for himself."

"The point of the matter is that we are entering a stage under the Uruguay Round where most unilateral action based on national objective is subject to multilateral obligations and multilateral disciplines," Custodio stressed.

He added that the conclusion of the UR signals that it is now ready to give powers to international trading which provides a forum for settling disputes. "There is no room for unilateral action in adversarial manner," Custodio stressed. If the United States pursues the trade sanction against Japan, Custodio said "we cannot prevent other countries from picking the same tool where countries have to defend themselves." But if the U.S. and Japan dispute is taken up in the GATT (General Agreement on Tariffs and Trade) a trade war can be prevented but if not then a trade war looms.

"We are voicing our concern," Custodio said noting the Philippine concern is also a very valid concern of other developing countries. The Philippines was once subjected to the U.S. Super 301 for alleged rampant violations of intellectual property rights but we have come to successful arrangement last year," Custodio said.

Aside from being a trade tool, the United States is also using Super 301 as a political tool where the United States may impose trade sanctions against countries.

Official Views U.S.-Japan Trade War, Super 301

*BK0903052694 Quezon City Radio Filipinas in English
0230 GMT 9 Mar 94*

[Text] Foreign Secretary Roberto Romulo says the trade war between the United States and Japan will adversely affect the economic recovery program of the Philippines. Interviewed by reporters in Manila, Secretary Romulo said the trade war between Japan and the United States will likely push Washington to reconsider its focus on the Asia-Pacific region. Romulo believes that because of its trade rift with Japan, America might favor the other regions, like Europe. Last week Washington reinstated one of its toughest trade laws, the law Super 301 allows U.S. President Bill Clinton to impose punitive tariffs of up to 100 percent on a country that obstructs import of U.S. products, but Secretary Romulo said he does not believe Super 301 will be slapped against the Philippines. The Philippines had been placed under the priority watch list of trade violators in the past but was delisted after addressing U.S. concern.

Government To Block Products at 'Dumping Prices'

*BK0903084194 Manila MANILA BULLETIN in
English 7 Mar 94 p B-1*

[Text] The Department of Trade and Industry has served notice that the government will counter attempts to hurt local manufacturers if foreign suppliers ship products to the Philippines at dumping prices. The mechanism to stop an import surge, according to Trade Secretary Rizalino S. Navarro, will be activated whenever unscrupulous suppliers injure local producers with shipments of competing products at artificially low prices. "While we are removing or liberalizing trade, you have to make sure the guy on the other shore does not prejudice industries here through unfair trade practices," he said.

Meanwhile, Navarro said, the import ban he proposed to the Monetary Board, policy body at the Central Bank of the Philippines late in February 1994 should not be treated as a signal that government was going back on its word to force local industries to be efficient by making it compete with foreign competitors.

"I am not going to open that door wider so that everybody is protected," he said, dousing cold water on speculations of local manufacturers on a government aboutface on its import liberalization program. The proposed ban was for a six-month period. It will apply on tires, refractory bricks, paper products, and glass products. Navarro recommended the temporary ban after monitoring showed a surge in imports on these four items.

Earlier, Sen. Leticia Ramos-Shahani asked the Senate to inquire into the reported dumping of foreign articles in the country at prices less than their fair market value in anticipation of the effectivity of the General Agreement on Tariffs and Trade (GATT). The Philippines is a signatory to the GATT whose protocol would be submitted to the Senate for ratification. The agreement is set to take effect July 1995.

"This dumping would greatly prejudice local manufacturers or similar goods because they would find it difficult to restructure their capital requirements and update their factories, plant facilities, and their inventories," Shahani warned. Shahani said that uncontrolled dumping of goods from abroad would impair the ability of Philippine industries to compete in the world market.

President Ramos and the senators led by Senate President Edgardo J. Angara, in their third regular Tuesday breakfast meeting this week agreed to ask Trade Secretary Rizalino Navarro to create a panel of Department of Trade and Industry (DTI) experts to provide accurate data on the GATT which would help senators understand the complexities of the international agreement.

Joint Economic Committee With Thailand Meets

*BK0903051494 Manila MANILA STANDARD in
English 5 Mar 94 p 9*

[Text] The Philippines and Thailand yesterday concluded the first round of talks of a joint committee on bilateral cooperation which led to agreements on the establishment of business cooperation councils, counter-trade arrangements, an exchange of trade and investment priority lists, and an investments guarantee accord to strengthen economic ties between the two countries.

In a press conference, Foreign Affairs Secretary Roberto Romulo and Thai Foreign Minister Prasong Sunsiri also agreed on a "joint approach" to trade and commodity issues in international forums such as the GATT and the ASEAN Free Trade Area (AFTA), apparently to set an example for other ASEAN countries in adopting a unified stand.

On political issues, Prasong told reporters that Thailand and the Philippines had agreed to support the move to include Myanmar [Burma] in the Asean Ministers Meeting in July, despite reservations by other member states due to the country's human rights record. Prasong said that as head of the ASEAN Standing Committee, his consultations with other ASEAN leaders on the issue had been "positive." He, however, refused to divulge details of his consultative meetings.

During the 1 to 4 March talks of the Philippine-Thailand Joint Commission at the Manila Hotel, both countries agreed to establish business cooperation councils in their capital cities, to facilitate investments and joint ventures.

Over \$1.4 Billion in Foreign Funds Invested*BK0903072494 Manila MANILA BULLETIN in English 6 Mar 94 p b-1*

[Text] More than \$1.4 billion in foreign funds came into the country as portfolio investments in 1993. Bangko Sentral ng Pilipinas [Central Bank of the Philippines] (BSP) statistics showed that bulk of the foreign capital was lodged in the equities markets. This capital placements fuelled the bull run in the domestic stock market in 1993, particularly during the later months.

Out of the \$1 429 billion, about \$808.632 million or 56.59 percent, was invested in stocks, mostly of commercial and industrial listed companies. The balance was invested in banks, which included registered bank deposits of non-residents, government securities paper, utility and investment and finance firms.

Of the commercial and industrial classifications, a sizable amount, around \$468.795 million, went to buy shares of listed telecommunications companies. This amount push the shares of Philippines Long Distance Co. last year as the highest gainer in the stock market. [passage omitted]

BSP said that these foreign funds lodged in the local bourses put the country in the international map as among the emerging stock markets in the region. As has been reported, the country's stock market registered the best ever performance in the recent years with a record high of 150 percent growth in 1993. Trading in both bourses were heavy particularly during the last days of December, posting at one time the highest turnover of P4.26 billion [Philippine pesos].

Army Clears Southern Luzon of NPA Rebels*BK0903063294 Manila MANILA BULLETIN in English 5 Mar 94 p 12*

[By Rolly Alano]

[Text] Camp Martillana, Pili Camarines Sur—The Philippine Army has cleared all barangays [villages] affected by the New People's Army (NPA) in the Bicol region, Quezon, and other parts of southern Luzon, Brig. Gen. Regino Lacson, Southern Luzon Command (Solcom) chief reported yesterday.

Lacson said that six guerrilla fronts of the NPA controlled 533 barangays in the three zones last year, adding that these controlled barangays were key "promotion" areas for the NPAs. From these barangays, rebels took "taxation money," rice, livestock, and vegetable crops for their maintenance, Lacson said. They were the single, most important source of income for the rebel movement in the three zones, he added.

Army Dismantles 'Biggest' CPP Underground Group*BK0903071694 Manila MANILA BULLETIN in English 5 Mar 94 p B-12*

[By Rolly Alano]

[Text] Camp Martillana, Pili, Camarines Sur—The military has dismantled the biggest underground group of the Communist Party of the Philippines-National Democratic Front-New People's Army (CPP- NDF-NPA), it was reported. The group was called the Southern Luzon Commission (SLC) which covered 15 provinces, 12 cities, and at least 140 municipalities.

With the dismantling of the big rebel organization, its three regional party committees and six armed guerrilla fronts have to report directly to the 16-man national communist party central committee headed by self-exiled CPP Chairman Jose Ma. Sison. The dismantling of the SLC was revealed to newsmen by Brig. Gen. Regino Lacson, Southern Luzon Command (Solcom) officer-in-charge.

In a report to Defense Secretary Renato de Villa, AFP [Armed Forces of the Philippines] Chief of Staff Gen. Lisandro Abadia, and Lt. Gen. Arturo Enrile, commanding general of the Army, Lacson said that the dismantling of the big rebel organization came about as a result of military-orchestrated events and tactical campaigns in the Southern Tagalog Region, and the Bicol Region.

The campaigns, he said, left a big void in the rebel organization's leadership caused by mass defections and death in encounters of top NDF leaders, NPA field commanders and armed regulars.

The Solcom chief reported that four armed terrorist groups—the Apolonio Mendoza Agbay, and the "A-A" and "Daba" companies of the mobile regional guerrilla unit (MRGU) and the urban guerrilla command of the SLC—were finally crushed by military intelligence operatives and field troops who waged relentless search-pursue-and-destroy operations.

In Bicol, the NPA's Regional Operational Command (ROC), the Regional Educational and Cultural Committee, the Front Mass Action Committee, and the Revolutionary Agrarian Staff of the Camarines Sur West Guerrilla Front and the Regional NDF United Front Commission had been disbanded and dissolved, he said.

Also dissolved were the Caltex Military Sector of the Quezon-Bicol Zone Front Committee and the Front Guerrilla Unit "Aguila" in Masbate, he said.

The Quezon-Bicol Zone Front Committee, which used to have four district committees under it—the Quirino, Onofre de Mesa, Mercedes and Guijo Committee—now operates only in Camarines Norte, Lacson added.

NPA Kill Police, AFP Changes Mooted

BK0903123894 Manila MANILA BULLETIN in English 6 Mar 94 p 12

[By Jorge Castro Jr., Cena de Guzman, and Aris Ilagan]

[Text] Camp Vicente Lim, Calamba, Laguna—Some 50 armed men believed to be New People's Army (NPA) rebels killed yesterday two policemen and wounded two others during an ambush in Macalelon, Quezon yesterday morning.

Reports reaching Philippine National Police (PNP) Recom [Regional Command] 4 Director Chief Supt. Romeo O. Odi identified the fatalities as SPO4 [expansion unknown] Richard Villena and P02 [expansion unknown] Ruben Hutalla, and those wounded as P03 Bienvenido Sayson and Quezon 3d Police District Director Chief Inspector Benjamin Belarmino.

In Fort Del Pilar in Baguio City, meanwhile, Defense Secretary Renato S. De Villa ruled out the possibility of an extension on the three-year term of Gen. Lisandro C. Abadia who is scheduled to retire on 12 April as Chief of Staff of the Armed Forces of the Philippines (AFP).

De Villa said that the defense department will submit before 12 March the final list of senior military officers who are candidates to become the next highest official of the AFP. Military sources said that among those recommended were Lt. Gen. Arturo T. Enrile, Army chief; Lt. Gen. Thelmo Cunanan, Southern Command chief; Vice Admiral Virgilio Marcelo, Navy chief; and, Major Gen. Alfredo Filler, presently assigned at the Department of National Defense.

Enrile, a member of PMA [Philippine Military Academy] class 62 who played a vital role in the December 1989 failed coup attempt, is considered the most senior among the candidates. Cunanan, a graduate of the U.S. Military Academy at West Point, is scheduled to retire on 14 April. Belarmino, who was slightly wounded and earlier reported as missing and believed to have been taken hostage by the rebels, reported to his superiors an hour after the ambush later and joined PNP and military operatives in chasing the rebels.

Also leading the government operations against the fleeing rebels, who are described as young men and women, are Quezon PNP Director Supt. Edmundo Dizon and Army Lt. Col. Domingo Panganiban of the 31st Infantry Battalion of the Southern Luzon Command (SOLCOM).

Thailand

House Speaker Meets Chea Sim on Closer Ties

BK0903085494 Bangkok Radio Thailand Network in English 0000 GMT 9 Mar 94

[Text] Cambodia has reiterated its readiness for the formation of a Thai-Cambodian parliamentary club as

proposed by house speaker Marut Bunnak. The issue was raised for discussion early this week when Cambodian National Assembly chairman Chea Sim met Mr. Marut at Parliament. He is visiting Thailand at the invitation of the house speaker.

Mr. Marut says the formation of the Thai-Cambodian parliamentary club will be raised for discussion at the upcoming joint meeting of Thai, Lao, Cambodian, and Vietnamese parliamentarians to be held from 27 to 29 March in Bangkok. He says the setting up of the club will create a better understanding between the Thai and Cambodian peoples. It is also expected to help solve border and trade problems that may arise between them.

Mr. Marut says Thai parliamentarians have given good cooperation in the project. Thailand has already set up similar clubs with the (?circles) of other countries.

Indonesian Tariff Cuts Yield Small Benefit

BK0703041194 Bangkok BANGKOK POST in English 7 Mar 94 p 19

[Text] Indonesia has cut tariffs on 1,941 products this year under the ASEAN Free Trade Area (AFTA) agreement, but Thailand will benefit from only 8 percent of them, Thai officials say. Business Economics Department deputy director-general Khanitson Nawanukok said the conclusion was reached after an evaluation of the Indonesian tariff reduction program that was implemented on January 8.

He said the department found that Thailand is theoretically qualified to enjoy the preferential AFTA rates for 69 percent of the 1,941 items because it has already cut its tariffs on those items to 20 percent or lower, the condition required for AFTA members to be eligible to utilize the benefits of other countries' tariff cuts. But Thailand would benefit from cuts to only 8 percent of the products because most of the cuts were granted to items which Indonesia does not import from Thailand, he said. Indonesian imports from Thailand accounted for only 1.3 percent of total Indonesian imports in 1992.

Mr Khanitson said the items on which Thailand would immediately receive benefits were rice milling machinery and liquid measuring equipment of which Indonesia imported 33 million baht from Thailand in 1992. He said there were some items which Indonesia imported of significant value from Thailand but Thailand did not receive benefits from the tariff cuts because the Thai tariff rate was still high, such as cardboard and mineral water for which Thailand has tariffs of 40 percent and 45 percent respectively. Indonesia imported cardboard from Thailand worth 57 million baht and mineral water worth 25 million baht in 1992.

Other Thai products which Indonesia imports huge amounts of, such as nylon synthetic yarn and machinery, did not receive tariff cuts. Indonesia plans to reduce the tariff on these products in 1995-96.

Mr. Khanitson said Singapore and Brunei benefitted from 100 percent of the Indonesian tariff cuts, compared to 70 percent for Malaysia and 58 percent for the Philippines.

Chuan Rejects Opposition Calls To Quit

*BK0903020294 Bangkok BANGKOK POST in English
9 Mar 94 pp 1, 3*

[Text] Prime Minister Chuan Likphai yesterday insisted the Government would continue to administer the country "righteously" despite calls from a prominent academic and opposition leader for him to dissolve Parliament or resign. Those calling for a dissolution or Mr Chuan's resignation cited the Government's poor performance and erosion of public faith.

"I have always said this Government was elected and comes from the people," said Mr Chuan. "This Government is lawful because it is elected by the people. This Government has a majority elected by the people. This Government works according to its policy declared to Parliament. It has never done anything that is not in line with its policy. Therefore, this Government has righteousness to continue its work."

Mr Chuan was brushing aside strong criticisms of him by political academic and critic M.R. [Royal title] Sukhumphan Boriphat and Social Action Party [SAP] leader Montri Phongphanit who claimed the Government had failed in its administration and the people had grown tired of it due to its lack of achievements.

The Prime Minister said any party or individual had the right to criticise a government under democratic rule but the government also has the right to clarify those points which are not true. "They should not get angry when we make our points in response. It should not be like that," he said.

Mr Chuan said democratic rule gave the people many alternatives to protest the national administration. First, they can revile it without fear of any danger. Second, the people have the chance to make up for mistakes by not voting for a bad government again.

Mr Chuan appeared to pay no heed to Mr Montri's claims that the public had grown tired of his administration as reflected in the low voter turnout for the Bangkok city and district council elections on Sunday. He said there was nothing new in Mr Montri's comments. "No matter whether there is an election or not, he always says the same thing. He said this both before and after the elections."

The Phalang Tham Party, which controlled a majority of 49 of the 57 seats in the City Council after the last election in 1990, saw the number of its city councillors shrink to 23 of the new 55-seat City Council. Mr Chuan's Democrat Party captured seven seats, six more than previously. The Opposition, however, can boast the results of the elections were a big victory for it since the

Prachakhon Thai Party managed to win 19 seats, 13 more than in 1990, while the SAP took five seats, which Mr Montri said was beyond his expectations.

The SAP leader, delighted by the increase in popularity for his party, challenged the Prime Minister to resign. But Mr Chuan chose to ignore Mr Montri's comments about public dissatisfaction with his government. "I have heard that comment but would rather not say anything in return," he said.

The Prime Minister was also attacked recently by M.R. Sukhumphan who said he was disappointed with Mr Chuan and had lost all hope for his government. M.R. Sukhumphan claimed Mr Chuan who always played an outstanding role in keeping alive democratic thoughts before becoming prime minister, had already changed and "kept his ideologies in the drawer". The academic said the Premier did nothing except make sure the government could "survive" day by day. He also charged Mr Chuan with lacking the courage to solve national problems and of possessing pessimistic attitudes and fears about obstacles in everything he has to do. M.R. Sukhumphan said the best exit for the current political situation was for Mr Chuan to dissolve Parliament and call a general election.

Meanwhile, Phalang Tham Party spokesman Sutham Saengprathum also hit out at Mr Chuan yesterday, charging him with allowing himself to become a tool of the bureaucrats and foregoing the chance to take the lead in amending the Constitution. "The present Government is no different from the Chatchai Chunhawan Government because it just plays around with principles and figures to create false hopes for the people," claimed the Nakhon Si Thammarat MP.

He said public confidence in the present administration was eroding quickly even though it had many prominent politicians who were seen as capable of solving the people's problems. It is a pity that these politicians, after assuming office, have worked on bureaucrats' directives and become their tool, he said. Mr Sutham said the people were losing hope in the Government even though they wanted very much to give it more time.

PULO Claims Responsibility for Railroad Mine

*BK0803161994 Bangkok Thai Color Television
Channel 9 in Thai 1200 GMT 8 Mar 94*

[Summary] A locomotive was damaged when it hit a mine planted on a bridge between the Hat Yai and Chana rail stations. The locomotive was on its way to pull a train with a load of rock from Chana back to Hat Yai. The incident took place at 0506 today in Ban Thung Phra, Tambon Paching, Chana District, Songkhla Province, only three kilometers from the Chana station. The explosion damaged the front of the locomotive and the tracks. The driver and engineer were unhurt.

Authorities found two letters from the PULO [Pattani United Liberation Organization], one written in

southern dialect and the other in Thai, claiming responsibility for the incident. They want the government explain the motive behind the recent torching of schools in the south which, they said, was not the work of the PULO.

Labor Ministry Official's House Bombed

BK0903101894 Bangkok Radio Thailand Network in Thai 0530 GMT 9 Mar 94

[Text] According to a public relations official of Nakhon Ratchasima Province, at about 0300 today an explosion was heard at the house of Sawai Phrammani, permanent secretary of the Labor and Social Welfare Ministry, which is situated at No. 287 on Mitraphap-Nakhon Ratchasima-Nong Khai Road, Tambon Munwai, Muang District, Nakhon Ratchasima Province. There was an explosion outside the house fence near the gate. About 10 minutes afterwards several rounds of gunfire were fired at the house. The explosion caused minor damage to the fence. A one-foot timed detonating wire was found at the site. The damage was estimated at about 1,000 baht. Five shots hit the house—three at the windows and two on the wall. Two bullets were found and an investigation showed they were .38 caliber and fired from about 20 meters outside the fence. There were no casualties. Motives for the incident are under investigation.

Sawai told correspondents that the incident occurred at 0300 this morning. He said the damage was slight, estimated at 1,000 baht. Police are investigating the incident. He said he was in Bangkok when the incident occurred and, therefore, knows very little. Correspondents will have to ask his son who was at the residence when the incident occurred. Sawai said he has no comment on whether the motive was political or personal.

Vietnam

Government Allows Overseas Vietnamese To Resettle

BK0903025294 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Feb 94 p 1,2

[Text] To meet the aspiration of overseas Vietnamese who want to return to Vietnam, the SRV Government has decided to allow certain group of these people, who fall under the following categories, to return home:

- Children under 16 and those more than 60 years old if they have relatives in Vietnam who hold Vietnamese citizenship and want to sponsor them.
- Those who have post-graduate educations or professional skills in specialized fields which are in need in Vietnam if they are hired by legal agencies or organizations in Vietnam.
- Those who are members of the board of management of foreign investment projects in Vietnam, which have been granted priority status in accordance with the Law on Foreign Investment in Vietnam and have been recognized by an authorized agency.

—Vietnamese citizens at home, who want to sponsor their relatives, must be those who have a household registration, who are not under any investigations involving a criminal case or subject to court verdict or an legal administrative action during the period of sponsorship. They must be able to provide for their relatives' daily life after repatriation and registration with people's committee at ward or village of their residence.

Overseas Vietnamese who are authorized to return to Vietnam must pay a repatriation fee in accordance with regulations set by the Ministry of Finance. Those who are authorized to return can bring into Vietnam their money and assets as specified by Vietnamese law. Returnees who have registered with the Vietnamese authorities will have the same rights and obligations as Vietnamese citizens.

Construction Ministry Delegation Visits Cuba

BK0903155894 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 7 Mar 94

[Text] On 5 March, Comrade Carlos Lage, member of the Political Bureau of the Communist Party of Cuba and vice president of Council of State and standing secretary of the Council of Ministers received our Ministry of Construction delegation led by Comrade Nguyen Manh Kiem, deputy minister of construction, who was on a working visit in Cuba from 25 February to 6 March.

Comrade Carlos Lage affirmed that Cuba is ready to create all favorable conditions for the development of the cooperative relations with Vietnam. He also expressed hope that the VTC Company, the first joint venture between the two countries, will flourish.

Netherlands Foreign Minister on Official Visit

Commentary Previews Visit

BK0803110894 Hanoi Voice of Vietnam in English 1000 GMT 7 Mar 94

[Station commentary]

[Text] Dutch Foreign Minister Peter Kooijmans and his wife will soon visit Vietnam at the invitation of the Vietnamese Foreign Minister Nguyen Manh Cam. We bring you a review of recent development in relations between Vietnam and Holland.

It is the first visit to Vietnam by the Dutch foreign minister. His visit will contribute to strengthening cooperative relations between the two countries in all areas. The leaders can consider future cooperation.

Vietnam and Holland have had established diplomatic relations since 1973, but with some interruptions. However, by late of 1993, Holland decided to reopen its embassy in Vietnam. Many delegations from the two countries have exchanged visits over the past few years. Holland has developed many goodwill attitude to

Vietnam [as heard]. At the Paris Conference, Holland was one of the countries which agreed to prolong the time for Vietnam to pay its debt over a 30 year period. The two countries have initiated an agreement on investment encouragement and protection. Vietnam and Holland have also concluded agreements on air transport and on river and sea dredging. Holland has a number of projects in Vietnam involving cooperation and investment. They have effectively cooperated in the field of health care. Now, they are hoping to cooperate in infrastructure building. Although Holland ranks the ninth among the investors in Vietnam, by now it has the 10 investment projects in Vietnam capitalized at \$218 million, including the joint venture in oil and gas exploration, and another joint venture in producing Heineken Beer.

With existing relations, the visit to Vietnam this time of the Dutch foreign minister will surely be a landmark in relations between the two countries that help bring bilateral relations to a new level.

The Vietnamese people want to welcome this visit to Vietnam of the Dutch foreign minister and his wife, and wish it a success.

Netherlands Minister Arrives 9 Mar

*BK0903145094 Hanoi VNA in English 1418 GMT
9 Mar 94*

[Text] Hanoi VNA March 9—Dutch Minister for Foreign Affairs Peter Kooijmans and his wife arrived here this afternoon, beginning an official friendship visit to Vietnam as guest of Foreign Minister Nguyen Manh Cam. The Dutch guests were welcomed by Foreign Minister Nguyen Manh Cam and his wife, Deputy Foreign Minister Nguyen Dy Nien and other senior officials. Dutch Ambassador to Vietnam Mr. Dave Ader was also on hand.

This evening, Foreign Minister Nguyen Manh Cam and his wife gave a reception in honour of the Dutch guests. On this occasion the Army paper QUAN DOI NHAN DAN runs an article expressing the Vietnamese Government and people's gratitude to the Dutch Government and people for their support to the national construction in Vietnam, especially their humanitarian aid in various healthcare projects for the Vietnamese people. 'The Dutch Government and non-governmental organisations have granted help to Vietnam's healthcare and education under various forms: financial and technical assistance, and donation. The Dong Ha hospital in the central province of Quang Tri was built with Dutch assistance. In addition, a number of healthcare programmes such as malaria, TB, leprosy, immunisation, drinking water have also received assistance from the Netherlands. Together with its assistance to the Amsterdam High School in Hanoi, the Dutch Government has granted scholarships for hundreds of Vietnamese students to study in the Netherlands. In 1993 alone it gave Vietnam some USD 20 million as aid, not accounting the assistance through the European Community and various UN bodies. 'The Netherlands also decided to exempt Vietnam's debt service payment

which was worth about USD 1.4 million, and was one of the countries who agreed to delay Vietnam's time of payment for its arrears at the donors' conference on Vietnam in Paris last year. At present, the Netherlands ranks ninth among foreign investors in Vietnam with a capital totalling more than USD 283 million, and is the second largest EC country which is carrying out ever broadening investment in the country. The paper also recalls the Netherlands growing cooperation with Vietnam in many fields, i.e. oil and gas, air service, harbour building and enlarging, water management, food processing industry which have led to the signing in 1993 of the Vietnamese-Dutch agreement on investment encouragement and protection and of the establishment of the Vietnamese-Dutch dredge joint venture.

Lao Defense Minister, Delegation Conclude Visit

*BK0803162094 Hanoi VNA in English 1437 GMT
8 Mar 94*

[Text] Hanoi VNA March 8.—A high-level military delegation of Laos, led by Defence Minister Sr. Lt. Gen. Choummali Sai-gnason, left here this afternoon, winding up a 4-day official visit to Vietnam.

While here, the Lao delegation held talks with a high level military delegation of Vietnam led by Defense Minister Gen. Doan Khue. The two sides informed each other of the situation in their respective countries. They noted with satisfaction that despite sweeping changes in the world and the region in recent years, the relationship between the two countries and armies kept on developing, thereby making active contributions to building their countries, and to peace, cooperation and stability in the region.

Both sides compared notes on the building of the army, the all-people national defence and on issues of common concern. The two sides reaffirmed their determination to foster the special friendship and solidarity between the peoples and armies of Vietnam and Laos. A protocol on the friendly cooperation between Lao and Vietnamese armies was signed today by Sr. Lt. Gen. Siphon Phalikhhan, vice defence minister of Laos, and Lt. Gen. Nguyen Thoi Bung, vice defence minister of Vietnam. Vietnamese and Lao defence Ministers Doan Khue and Choummali Sai-gnason witnessed the signing. Earlier, the Lao delegation paid a floral tribute to late President Ho Chi Minh at his mausoleum. It was received by Party General Secretary Do Muoi.

Vu Oanh Views National Unity, Last Part

*BK0803134094 Hanoi NHAN DAN in Vietnamese
4 Feb 94 p 3*

[Last installment of an article by Political Bureau member Vu Oanh: "Great National Unity in the New Situation and Tasks"]

[Text] For overseas Vietnamese, we must help develop their capabilities through the exploitation of results attained in the renovation at home. Efforts must be made to diversify our international relations activities.

The overseas Vietnamese is an important force that can introduce our country to the nations of the world.

We must on the one hand, organize overseas Vietnamese and urge them to help propagate our market economy and promote tourism in Vietnam in their country of residence. We must also invite scientists and business management specialists to visit our country (on various occasions and in various forms, including the possibility of joining our state agencies).

We must strive to create favorable conditions for overseas Vietnamese to visit their homeland and invest in production and business at home for their benefit and that of the nation. There are some sectors and localities where residents have a large number of relatives living abroad. In this case, efforts should be made to set up a liaison committee or an association of relatives of overseas Vietnamese to keep them well informed about state lines and policies, while conveying their relatives' aspirations to mass organizations or the administration. Efforts must be made to encourage relatives of overseas Vietnamese to further their studies or work abroad.

The state should do its best to protect the interest of overseas Vietnamese in accordance with international law, while encouraging them to strengthen unity, help one another, and uphold national prestige.

2. Efforts must be made to broaden democracy while maintaining social discipline.

Under our current politico-social system, the party leads, the state manages, and the people are masters. Thus, all powers belong to the people.

In exercising their powers, the people are building the state apparatus through general elections. On the other hand, they have the obligation of participating in formulating state laws, monitoring activities of the state, serving the nation, and living and working in accordance with the law. This is the dialectical relationship between representative democracy and direct democracy. This relationship helps broaden democracy, while strengthening social discipline.

We must live and work in accordance with the law. However, the law alone cannot resolve all issues in the daily life, which is full of complicated social problems. As a result, while formulating various laws we must develop our social mechanism and promote the people's rights to autonomy in managing the family, ward, village, and community activities to improve their daily life and to settle social issues through social contracts. At the grass-roots level, we should set up a conciliation council to help the chief of the village or ward, the people's committee, and mass organizations to resolve issues. This council should be composed of people with good educational backgrounds and who are trusted by the people.

To broaden democracy and strengthen law and discipline, there must be consistent efforts to disseminate

state laws widely. Efforts must also be made to attach importance to disseminating the law on civil and human rights so that people will realize their obligations. At the same time, this is to arm the people with the knowledge to fight civil and human rights violations. Essential efforts must be made to clearly specify the authority and responsibility of heads of state agencies in accordance with the principle that the more authority an officer holds, the more responsibility he must bear. We must strive to oppose the usurpation of power and uphold the principle of checks and balances of power and responsibility. We must make more effort to study, perfect, and revise the law on electing and appointing heads of state agencies to overcome negative phenomena such as formalistic democracy, arbitrariness, and disorganized freedom.

We may exercise national power by convening a national congress comprising of authorized delegates with a good background, who are trustworthy, and who represent the people's strata, nationalities, and religious groups to discuss the most important national issues. This will be like the Dien Hong Congress under the Tran Dynasty or the special political conference of President Ho Chi Minh during the war against the U.S.

3. Efforts must be made to overcome prejudice, discrimination, and hatred among the people and to look to the future to strengthen national unity and uphold the spirit of mutual trust for the sake of national independence and freedom and happiness of the people.

The achievements of our renovation have helped us to effectively implement the market-based multisectorial economy under state management and to diversify our diplomatic activities. It is natural that we must advance further to establish the great national unity bloc in the new situation and tasks to strengthen unity among the masses in a more profound and far-reaching way.

It is necessary to say that the Vietnamese nation has a great social structure comprising various strata, nationalities, and religious groups living both at home and abroad. Although they come from different backgrounds, have different levels of education and capabilities, and different tastes and experiences, they originate from Vietnam, a nation with a longstanding and heroic history. The enemy's war of aggression that caused untold misery and loss to Vietnam has imbued in the heart of all Vietnamese the spirit of patriotism and pride in their fatherland. At present, our country is enjoying new opportunities while facing numerous ordeals affecting our national fate and destiny.

As Vietnamese, we all want our country to grasp opportunities to overcome difficulties, poverty, and backwardness and develop itself into a prosperous nation with a due position in the world community. None of us want our country to remain underdeveloped forever. Therefore, the above-mentioned goals must be included in the great national unity policy. Let's share similarities and accept differences. Let's try to get rid of prejudices, complexes, and

hatred and work toward the goals of building a beautiful country both for the present and future generations. To this end, we must, first of all, promote the spirit of genuine concord, equality, and mutual respect. Let's avoid criticism, disparagement, and harsh treatment and renounce attempts to eliminate one another. It is necessary to respect the people's beliefs and protect their places of worship. It is important to keep the components of the great national unity bloc within the people's mastership system. If there are different political beliefs, let's sit down and talk in a sensible and reasonable way. Let's exercise dictatorship only over those who betray the country or violate the law and let's make sure that their cases are tried according to set court procedures. Leading officials in charge of state agencies, mass societies, and front organizations must be selected through truly democratic elections and must include people who have ethics and talents and who truly represent the masses.

4. It is necessary for the Vietnam Fatherland Front to shift its duty from national liberation to national defense and construction, bearing in mind the need to give priority to socioeconomic development tasks. From 1994 till the end of the 20th century, we must focus on the following four key tasks:

—Motivating all individuals, families, and the entire people to make personal efforts to overcome poverty and backwardness, effect changes for the better, and compete against and cooperate with one another in the spirit of fairness.

Steps must be taken to promote the multisectorial economy based on the market mechanism and under state management. It is necessary to effect economic restructuring in the direction of industrialization and modernization and in keeping with efforts to expand, diversify, and multilateralize diplomatic relations.

—Paying due attention to the human resources development, regarding the human factor not only as the target of but also the motive behind the formulation of socioeconomic development programs and public utility projects to benefit the country and people. It is necessary to make due efforts to broaden democracy, implement social justice, and ameliorate the people's intellectual background and living conditions. Steps must be taken to improve the quality of cultural, educational, and public healthcare services. Effective measures must be adopted to implement the population activities and family planning program.

—Creating preliminary conditions and opportunities for everyone to overcome poverty and backwardness and enrich themselves and society. These goals can be reached through the granting of the land use rights to peasants and the application of the share-holding system to workers. It is necessary for the banking system to intensify the mobilization of funds to grant sufficient loans to the people to increase economic activities. Long-term incentive measures must be worked out to make all economic sectors have a sense

of security while investing talents and capital in production and business activities. It is important to encourage all individuals and families to enrich themselves and help make the country powerful and bring about justice and civilization in society through the movement to eliminate hunger and reduce poverty.

It is necessary to motivate the people to participate in the campaign against corruption, smuggling, the production of fake goods, and other negative phenomenon in society. Greater attention must be paid to charity work, humanitarian activities, and the movement to eliminate hunger and reduce poverty.

Vigorous efforts must be made to step up educational activities and improve everyone's cultural and professional knowledge. Regular refresher courses must be conducted to help the people improve their scientific, technological, professional, economic, cultural, and educational backgrounds.

It is important to promote the cultural quintessence of the nation and combine this move with efforts to learn from the cultural heritages of mankind. Prompt steps must be worked out to gain access to modern science and technology. Measures must be taken to preserve and restore cultural relics as well as oppose the depletion or pollution of the environment.

—Greater attention must be paid to the consolidation of the all-people national defense network and the people's security system.

The above-mentioned tasks have been initiated and directed by party platforms, directives, and resolutions as well as by state laws and regulations. All those legal documents cannot generate practical results unless we take into account the strength of the great national unity bloc. The Vietnam Fatherland Front plays an important role because it solicits the views of the people and incorporate them in the formulation of party policies and lines as well as state laws and regulations.

IV. Consolidating and broadening the Vietnam Fatherland Front.

The Vietnam Fatherland Front is a political alliance which serves as a venue for mass organizations and representatives of people of all walks of life and different social classes, ethnic groups, and religions to unite action on a voluntary basis. It also serves as the political basis of the people's administration and is directed by the Communist Party of Vietnam.

All those components form an overall network of party leadership, state management, and people's mastery under the political system of our regime. They share one thing in common, namely to work toward the goals of national defense and construction. Each component is part and parcel of an overall structure but plays a separate role and generates a different result.

1. In its capacity both as an affiliated organization and a managing organ, the party cannot consolidate the front's

structure or develop its role as a genuine mass society unless it observes truly democratic principles governing its leadership and refrains itself from impositions or taking over the work of mass organizations.

The party exerts its leadership through its platforms and lines and policies as well as through the power of persuasion created by the exemplary conduct and vanguard role of party organizations and party members in the front. It is necessary to fully respect the independence and self-rule of the Vietnam Fatherland Front. The party may introduce its platforms and lines and policies to the front or recommend party members to join the front's management but is not supposed to give instructions to the front or have party members join the front's management without going through democratic elections.

It is necessary for cadres and party members to clearly realize the importance of the front-related policies and tasks. Efforts must be made to avoid incorrect views, especially the bad practice of belittling front-related work, and the evils of prejudices and narrow-mindedness. Steps must be taken to overcome the situation in which party officials resort to imposition in assigning cadres to take charge of the front without checking if their qualifications meet work requirements. It is important to formulate proper policies toward cadres in charge of the front. Efforts are needed to overcome shortcomings and weaknesses, thereby improving the party's leadership over the front a step further.

2. It is necessary for state agencies to fully understand and institutionalize the duties and rights of the front, so that it can act as a firm political basis of the people's administration, and most importantly, can participate in the process of forming elected organs, drafting legal documents, managing socioeconomic activities, and overseeing the operations of state organs, elected government officials, and state cadres and employees. It is necessary for state agencies to go out of their way to join hands with front committees at all levels in ensuring strict implementation of the Constitution and laws and regulations.

3. It is important to consolidate the Vietnam Fatherland Front and broaden its organizations and activities. This is for it to serve as an effective venue for rallying people from all walks of life in the great national unity bloc, where everyone can show demonstrate their power and express their aspirations and where members of the affiliated organizations can achieve unanimity of action and help the administration in resolving the internal disputes among people, implementing democracy, making improvements in society, looking after and protecting the legitimate interests of people of all walks of life, and building and safeguarding the administration as well as overseeing its activities. The front is dutybound to take part in socioeconomic management, help with the implementation of socioeconomic development and national security and defense tasks, and motivate mass

organizations to participate in the struggle against corruption, smuggling, and other social vices, thereby contributing to strengthening relations between the people and the party and state.

The front operates in the spirit of consultation, democracy, equality, sincere cooperation, mutual respect, and unanimity of action with all affiliated organizations under a common action program.

Plans must be worked out to consolidate the front committees at all levels, bearing in mind the need to improve the quality of leading cadres. It is important to see to it that more trustworthy and highly-competent individuals representing people from all walks of life and different ethnic groups, religious beliefs, intellectual backgrounds, and business circles join the front and form a highly motivated collective, which is endowed with cultural quintessence, wisdom, talents, and high resolve and which typically stands for the vitality of a country now moving toward progress.

The front committees at all levels play a key role in coordinating action among the front's affiliated organizations and administrative organs at the same level and in launching a motivation campaign to win the hearts and minds of senior citizens, notables, intellectuals, industrialists, businessmen, hilltribes, religious leaders, and Vietnamese residents abroad.

As far the consolidation and broadening of the front's organizations and activities are concerned, it is necessary to focus on both grass-roots and central level establishments and step up the front's public relations.

4. The relations between the VFF and the party and state are built upon the common goals of making the people rich and the country powerful as well as of bringing about justice and civilization in society. They follow a two-way course of action, namely the leadership and its objects. Moreover, they are based on the principles of equality, consultation, dialogue, and constructive criticism.

The endeavors to consolidate the great national unity bloc and the National United Front are strategically important to the overall political system and necessitate the common efforts of all echelons and sectors. It is necessary to first disseminate the contents of this resolution to all party organs, state agencies, front organizations, and mass societies.

We are convinced that the Political Bureau's Resolution on Great National Unity and Consolidation of the National United Front will create an atmosphere of concord, mutual trust, enthusiasm, and national pride among people of all walks of life, social classes, ethnic groups, and religious organizations at home as well as among Vietnamese residents abroad, and also a new strength for the goals of making the people rich and the country powerful and of bringing about justice and civilization in society come true.

Australia**Keating: Super 301 'Heavy-Handed Sledgehammer'***BK0903073294 Melbourne Radio Australia in English
0500 GMT 9 Mar 94*

[Text] The prime minister, Paul Keating, has accused the United States of using a sledgehammer to crack a nut in its trade dispute with Japan. The United States has reintroduced its so-called Super 301 policy where it can double tariffs on some commodities in a bid to get Japan to open its markets. Speaking in Perth, Mr. Keating urged the two parties to allow the Asia Pacific Economic Cooperation forum, APEC, to resolve the dispute. The prime minister says Canberra is concerned that America's action will harm Australia's relationship with Japan.

[Begin Keating recording] It is the heavy-handed sledgehammer number to crack the nut. Now, we think that is going to lead to a lot of bilateral trade tensions and that is why, I think, that we see the body which I was involved in last year in establishing at the head of government level—this is the APEC, Asia Pacific Economic Cooperation—this trade argument between the United States and Japan is a sitter for resolution within the APEC framework. [end recording]

Minister Warns U.S. on Trade Battle With Japan*LD0803203694 Melbourne Radio Australia in English
1900 GMT 8 Mar 94*

[Text] The Australian Trade Minister Bob McMullan has warned the United States that its trade battle with Japan must not be fought at Australia's expense. Senator McMullan is expected to join trade talks with the American Secretary of State Warren Christopher in Canberra later today. His unscheduled attendance has been prompted by Washington's threat to use a trade clause allowing special sanctions on trading partners using unfair practices. Camille Funnell reports Senator McMullan has already moved to make his concern clear to the United States.

[Funnell] Australia is concerned Washington will strike a side deal with Japan at the expense of countries like Australia. Senator McMullan claims the U.S. has a history of hurting third parties in resolving its disputes with other countries. He's told American television there's no country in the world that supports the

approach being used by the U.S. with Japan, although, he says, there's sympathy with America's wish to open up the Japanese market.

But Senator McMullan also says there's no sign the U.S. wants to do anything to appease Australian concerns about American markets which remain closed to Australia. Senator McMullan is also warning against any action that's likely to reduce Japan's economic recovery, saying if the world's biggest economy doesn't recover all countries will lose.

Evans: U.S. Should Maintain China MFN Status*BK0903100994 Melbourne Radio Australia in English
0500 GMT 9 Mar 94*

[Excerpts] [passage omitted] Australia has called on the United States to maintain China's most favored nation trade privileges. Speaking after talks with Mr. Christopher, Australia's foreign minister, Gareth Evans, said he shared Washington's concern at the detention and harassment of Chinese dissidents. Senator Evans said protesting at this was not a matter of interfering in China's internal affairs or applying Western standards. But Senator Evans said Australia was against trade sanctions, except in extreme circumstances and supported continued privileges for China under the MFN scheme.

Meanwhile, Mr. Christopher has repeated an assurance that Washington does not intend its trade dispute with Japan to do harm to Australia. He gave the reassurance after talks in Canberra with Senator Evans and the trade minister, Senator Bob McMullan. Camille Funnell reports:

[Begin recording] [Funnell] The U.S. secretary of state told the Australians it was not the intention of the U.S. to start a trade war with Japan, but he repeated that America wanted greater access to the Japanese market. He says Australia should take heart about American assurances from the track record of U.S. President Bill Clinton. [passage omitted] Senator Evans says Australia still has legitimate concerns about the approach taken by the U.S. toward Japan and will continue to express its concern. [end recording]

Agreement With Vietnam on New Hanoi Embassy*LD0803175294 Melbourne Radio Australia in English
1700 GMT 8 Mar 94*

[Text] Australia and Vietnam have signed an agreement to build a new Australian embassy complex in the Vietnamese capital, Hanoi. Australian officials in Hanoi say that for the first time Vietnam has leased land to a western country for the construction of a purpose built embassy.